NORTHWEST DEFENSE MINERALS, INC.

KEYSTONE AND SPEARFISH, SOUTH DAKOTA

Office of the President

CONCENTRATES:

BERYL, BERYLLIUM,
COLUMBIUM - TANTALUM,
FELDSPAR, MICA,
TUNGSTEN, GOLD

1322 Second Ave.
New York 21, N.Y.

March 7, 1960

Mr. Frank E. Johnson, Acting Director
Office of Minerals Exploration
Department of the Interior
Washington, D.C.

Re: Docket
DMEA-654
Contract No. Idm-E58

Dear Mr. Johnson:

Recently we received some forms from OME to fill out in a report of production or change of ownership of leases in South Dakota as per our DMEA 654, Contract No. Idm-E58. The forms may have been left in South Dakota when we were there last week. We wish to advise that there has been no production in our placer gravel deposits and no change of ownership of leases.

Yours very truly,

Peggy Keenan

Northwest Defense Minerals, Inc.
Peggy Keenan, President

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAR 8 1960

DATE	INITIALS	CODE
3-8	gad	220
3/8	[illegible]	800
~~3/9~~	~~Murphy~~	~~600~~
		225

2 Thermofax copies to Region III
3/9/60 gla

OFFICIAL FILE COPY O. M. E. RECEIVED AUG 7 1959		
DATE	INITIALS	CODE
8-7	gad	220
FINAL DISTRIBUTION MADE	AUG 4 1959	
8-11	EDT	800
"	Murphy	500
		225

Building 20 - Federal Center
Denver 25, Colorado

July 28, 1959

Memorandum

TO: T. A. Christensen

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMMA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract No. Ide-198, Northwest Defense Minerals, Inc.,
(Rawlins Mining District) Lawrence County, South Dakota -
FINAL SETTLEMENT OF ACCOUNT

The subject Operator did not render a final report as required by the contract; therefore, the account is to be closed on the following basis which is in accordance with enclosed instruction from the Washington Office, OME, and in accordance with Report of Review of reported project costs by the Contract Administration and Audit Division, OME, dated July 13, 1959:

Basis for Closing the Account

Total Accepted Costs		$32,384.34
Payment to the Operator	$23,267.69	
Direct Payments by the Government to Independent Contractors	5,878.22	
Total Government participation at 90 percent		$29,145.91

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:ltm

cc: Chmn. Op. Comm. (2) ✓
MF-104 file, Reg. III
Hasler
OME/DFC
Corres. file, Reg. III
Susp. file
Chron.

No Payment Due
JWT 7/31/59

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 7 1959

DATE	INITIALS	CODE

224 New Customhouse
Denver 2, Colorado
May 7, 1959

REGISTERED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 D 1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-858
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to our letter of March 20, 1959, and to our previous correspondence, relative to your furnishing to the Government a final engineering and geologic report and final accounting report, as required under Articles 14 and 17 of the captioned contract.

We wish to cooperate fully with you in allowing ample time for submission of the reports, but if they have not been received by June 10, 1959, we will then consider that you do not intend to submit them. In this case, the estimated cost of the final engineering and geologic report will be charged against the amount being withheld from reimbursement to you, and any remaining balance will be paid upon final settlement of the account.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres. File, Reg. III
Cooper
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

359

OME
DEPARTMENT OF THE INTERIOR
JUL 2 1959
REG ON III
DENVER COLORADO

Memorandum

To: Executive Officer, OME Field Team, Region III

From: ACTING Chairman, Operating Committee

Subject: Docket No. DMEA-651
(Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract No. IGs-258

This is with reference to your letter of June 10 to the Operator and our memorandum to you of May 22, 1959, regarding the subject Operator's final engineering and geological report. If you do not receive this report on or before July 10, 1959, do not allow any additional time to render the report and take the action outlined in your letter to the Operator of May 7, 1959.

W. S. Martin

APPROVED:

Frank D. Lamb
Member, Bureau of Mines

Harold Kirkemo
Member, Geological Survey

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 7 1959

DATE	INITIALS	CODE

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 7 1959

DATE	INITIALS	CODE

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[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Original signed by
J. W. TOWNSEND

[redacted]

[redacted]

[redacted]

ORIGINAL REC COPY
RECEIVED AUG 7 1959
DATE | INITIALS | FILE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

OME
DEPARTMENT OF THE INTERIOR
MAY 25 1959
REGION III
DENVER, COLORADO

MAY 2[illegible] 19[illegible]

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Chairman, Operating Committee

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

We approve your recommendation of May 7 to withhold the unpaid balance of funds due the Operator for its estimated share of the cost to prepare a final engineering and geological report. However, in view of your letter to the Operator of May 7, the matter should be held in abeyance until after June 10 and then take action as stated in your letter.

George C. Selfridge

APPROVED:

G. H. Josephson
Member, Bureau of Mines

Thor H. Rilegaard
Member, Geological Survey

EXTRA COPY
O. M. E.
RECEIVED AUG 7 1959

DATE	INITIALS	CODE

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED AUG 5 1959

DATE	INITIALS	CODE
8-5	gad	220
8-7	JW for HB	130
8-7	FG	110
8-11	HB	130
		220

July 28, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: OME Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten) Contract No. Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, South Dakota - FINAL SUMMARY REPORT

The original and two copies of a Final Engineering and Geologic Report were forwarded by memorandum of May 25, 1959.

The Operator failed to submit a final report as required by the contract by the deadline date established by this office of July 10, 1959; therefore, the account was closed in accordance with instructions by memorandum from W. S. Martin, Acting Chairman, Operating Committee, OME, dated July 26, 1959, and in accordance with Report of Review of reported project costs by the Contract Administration and Audit Division, OME, dated July 13, 1959.

Total accepted work under the contract consisted of excavation of 9 surface trenches under Phase I which aggregated 1,089 lineal feet, and 1,577 cubic yards, and the drilling of 18 churn drill holes, and sinking of 3 test pits under Phase II which aggregated 348.5 feet of drilling, and 31.5 feet of test pit, all at a total accepted cost of $32,384.34, toward which the Government contributed 90 percent or $29,145.91.

The exploration work completed resulted in the discovery or development of a significant quantity of tin, columbium, tantalum, and tungsten minerals on which a Certification of Discovery or Development was issued May 29, 1959.

By J. W. Townsend
J. W. Townsend

Reviewed by
OME OPERATING COMMITTEE
8-11-59
(date)

By J. William Hasler
J. William Hasler

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado

December 30, 1957

GENERAL FILE COPY
DMEA
RECEIVED JAN 2 1958

DATE	INITIALS	CODE
1/2/58	C	220
1/2	Corr	100
"	PLK	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Information Requested by Kawecki Chemical Company on Northwest Defense Minerals, Inc., Docket No. DMEA 654X (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58

Attached is a letter received in this office this morning, requesting information on property leased or owned by Northwest Defense Minerals, Inc., Peggy Keenan, President. Also attached is a copy of our reply to Mr. Kawecki.

W H King
W. H. King

Encls.

224 New Customhouse
Denver 2, Colorado

December 30, 1957

Mr. Henry C. Kawecki, President
Kawecki Chemical Company
Boyertown, Pennsylvania

Re: Docket No. DMEA 654X (Tin, Columbium, Tantalum, Tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.

Dear Mr. Kawecki:

This will acknowledge your letter of December 26, 1957, regarding the property of the Northwest Defense Minerals, Inc., Peggy Keenan, President.

DMEA information such as you desire is considered confidential.

We are forwarding your letter to the Washington Office, DMEA, Interior Building, Washington 25, D. C., for their consideration and appropriate action.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

WHK:bh

cc-Chairman, Op. Comm.(2)
Harshman
DMEA/DFC (Binyon)
Townsend
Corres. File
Chron.

KAWECKI CHEMICAL COMPANY

Manufacturers of Chemicals, Metals and Alloys

BOYERTOWN • PENNSYLVANIA

Telephone Boyertown 7-2181

VIA AIR MAIL

December 26, 1957

Mr. W. H. King
Room 224, New Custom House
Denver 2, Colorado

Dear Mr. King:

We are interested in the alluvial deposits of the Tinton, South Dakota area under lease or owned by Northwest Defense Minerals, Inc., Peggy Keenan, President. We were informed by the Bureau of Mines in Rapid City that the Defense Minerals Exploration Administration could furnish us with the data acquired in the study of these deposits but that permission to do so would have to come from Northwest Minerals.

We hereby request that this permission be obtained from Miss Keenan and that the information be sent to us. I am sending a copy of this letter to Miss Keenan.

This company manufactures tantalum metal in all commercial forms and we are purchasers of tantalite. Our interest in these deposits is related to the tantalite content therein.

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 2 1958

DATE	INITIALS	CODE
	HCK:eak	

Yours very truly,

KAWECKI CHEMICAL COMPANY

Henry C. Kawecki

Henry C. Kawecki
President

DMEA
DEPARTMENT OF THE INTERIOR
DEC 30 1957
REGION III
DENVER, COLORADO

cc: Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.

OFFICIAL FILE COPY
DMEA
RECEIVED DEC 19 1957

DATE		CODE
12/19	gb	220
12/20	GB	800
	Lance	700

224 New Customhouse
Denver 2, Colorado
December 16, 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-E58
Northwest Defense Minerals, Inc.
Rawlins Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of December 9, 1957, concerning discrepancy between the amounts shown on your pencilled copy of Form MF-104, Operator's Monthly Report and Voucher, and Form MF-104A, Operator's Unit Cost and Progress Report, as these forms were not prepared by this office we do not know the reason for the discrepancy but we note that the totals on both forms differ from tentative records kept in this office.

We are enclosing a sample copy of each form showing the tentative amounts accepted to date, subject to adjustment by the Finance Office, Region III, and subject to audit or review by the Contract Administration and Audit Division, DMEA. Also enclosed are your pencilled copies of Voucher and Accounting Forms MF-104 and MF-104A.

Please note that items of costs which are not otherwise specifically provided for in the contract have been included with Contingencies, on sample Forms MF-104 and MF-104A. Processing of subsequent reports by this office will be facilitated if this procedure is continued on all subsequent reports submitted.

If you require any further information concerning the preparation of voucher and accounting forms, please feel free to contact this office.

Yours very truly,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

Enclosures
JDC:hmh
cc: Chmn. Op. Comm. (2)
Harshman
DMEA, DFC (Binyon
Townsend
Corres. file, Reg. III
) w/copy of Oper. 12/9 ltr. and spl. copies Forms MF104 and MF-104A

Chron

Northwest Defense Minerals, Inc.
Spearfish, South Dakota
Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

Dec 9, 1957

DMEA
DEPARTMENT OF THE INTERIOR
DEC 10 1957
REGION III
DENVER, COLORADO

Mr. E. M. Marshman
Acting Executive Officer
DMEA Field Team, Region III
Dept. Interior
224 New Customhouse
Denver, 2, Colorado

Re Doggett DMEA
654X, Contract Adm-
E 58

Dear Mr. Marshman:
Enclosed please find our pencil copies of M7104, M7104A for the period Oct 14, 1957 through November 2, 1957, total cost of period $988.38.
The enclosed M7104 costs to date totals $8327.11 less $650 disallowed on June 27, 1956. The enclosed M7104A to date totals $8675.11 less $650 disallowed same date.
Will you please ask your auditor or Mr. Bunyon why these two papers do not balance in an amount of $348.63.
Please do us the favor of correcting and return to us so that we may proceed with the documentation for reimbursement.

Yours very truly,
Northwest Defense Minerals, Inc.
Jerry Keenan, President

address Sheraton Johnson Hotel Rapid City

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

SAMPLE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
OPERATOR'S MONTHLY REPORT AND VOUCHER

SAMPLE

RECEIVED D.M.E.A.

Month of ....., 195..... Docket No. DMEA ..... Contract No. Idm-150
Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium, Tantalum, Tungsten
Address Spearfish, South Dakota
Contract Amount, $..... Government Participation: ..... Amount, $.....

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	FOR OPERATOR'S USE: Totals Previously Reported	FOR OPERATOR'S USE: Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	FOR GOVERNMENT USE ONLY: Approved Totals Previously Reported	FOR GOVERNMENT USE ONLY: Approved Totals To Date
(1) Independent / Short Form } Contracts:						
Drilling		1742.50				
Bulldozing						
Crosscutting						
Drifting						
Test Pits		631.85				
(2) Labor and Supervision:						
Labor						
Supervision		1550.00				
Technical Services						
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track				(Note: All figures are tentative and subject to subsequent adjustment by the Finance Office, Region III, and subject to audit by the Contract Administration and Audit Division, DMEA.)		
Gas, Oil, Miner repairs		178.34				
(4) Operating Equipment:						
Rental		0.00				
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		339.00				
Payroll Taxes						
Liability Insurance						
Meals & Quarters		779.94				
Engr. Travel		990.92				
(8) Contingencies (specify):						
Itemized on Form MF-104A		1141.35				
TOTALS		6934.10				

I certify that the above bill is correct and just and that payment therefor has not been received.

Date ..... *Payee .....

Per ..... Title .....

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$.....

Signature .....
(Authorized Certifying Officer)

Date ..... Vou. No. .....
(See other side)

(For Government use only)

CERTIFICATION BY GOVERNMENT REPRESENTATIVE:

I certify that to the best of my knowledge and belief the contractor submitting this voucher is operating a Defense Minerals Exploration Administration project under Contract No. ..... in accordance with the terms of the contract.

Signature ..... Title ..... Date .....

APPROVAL BY DMEA EXECUTIVE OFFICER OR ALTERNATE:

Signature ..... Title ..... Date .....

MONTHLY REPORT OF OPERATOR

The Operator (Contractor) of an exploration project is required to make a monthly report to the Government through the Regional Executive Officer. This report consists of three parts as follows:

(*a*) *Form MF-104—Operator's Monthly Report and Voucher.*—This form details expenditures and constitutes a voucher for reimbursing the Operator for the Government's share of costs;

(*b*) *Form MF-104A—Operator's Unit Cost and Progress Report.*—This is a statistical report of expenditures which shows costs for the various types of operation; and

(*c*) *Narrative.*—A concise narrative description of progress made, results accomplished, and any unusual difficulties encountered must be furnished as an attachment to this Report and Voucher. Wherever possible, the narrative is to be illustrated with maps or sketches showing formations penetrated and location and assays of samples taken as well as advances in workings. In the case of diamond drilling or churn drilling, the location and inclination of holes is to be shown on a map; logs and assays also are to be submitted.

The Monthly Report of Operator should be prepared in an original and four copies all of which must be sent to the Executive Officer of the Region not later than the 15th of the month following.

Preparation of Form MF-104—Operator's Monthly Report and Voucher.—All the applicable spaces in Form MF-104 should be filled in by the Operator, and the Operator or his agent should sign the certification in the lower left corner of the form.

The items of costs are arranged in the order they appear in Article 6 (a) of Form MF-200 (Revised February 1952), however, this form is readily adaptable for use in reporting activities under other contract forms.

Under Item (1) delete words "Short Form" if the contract is a sub-contract under Form MF-200; and delete word "Independent" if the contract reported is on Form MF-200 (A). Also, report work paid for on a unit basis under contract Form MF-200 as though it were performed under an independent contract.

Under Item (2) include labor, supervision and technical services incurred for the exploratory operations. Do not include labor, supervision and technical services used for work performed under items (5) and (6).

Under Item (3) include the costs of material and supplies used in the project other than that used under items (5) and (6).

Under Item (4) appear the three types of operating equipment expenditures, that is, rental, purchase and depreciation. The expenditures made for renting equipment belonging to a third party will be reported under "Rental". The amount paid or duly obligated for payment for the purchase of equipment will be reported under "Purchase". The amount of expenditures due the Operator to reimburse him for depreciation of equipment owned will be reported under "Depreciation".

Item (5) comprises costs of labor, supervision, technical services, materials, etc., which are used in the initial rehabilitation and repair of existing buildings, installations, fixtures, and equipment. These costs, therefore, should not be reported under items (2) and (3).

Item (6) includes the labor, supervision, technical services, materials, etc., used in the installation or construction of new buildings, fixed improvements, etc., necessary for the project. These costs, therefore, should not be reported under items (2) and (3).

Item (7) covers miscellaneous types of expenditure such as payroll taxes, liability insurance, workmen's compensation insurance, repairs to equipment and sampling and analysis. Only that part of payroll taxes, liability insurance and workmen's compensation which are paid by the operator should be reported under item (7). The share paid by the employee as a payroll deduction is to be included under item (2) as labor costs.

Item (8) includes any unforeseen costs not included in the other seven categories.

The original of Form MF-104 when submitted for reimbursable expenses incurred under contract Form MF-200 must be supported by original documentation or by certified copies of purchase orders, payrolls or transcripts of payrolls, unless such documentation has been waived by the Regional Executive Officer. This certification may be stated thus, "Certified True Copy (or Transcript)", followed by appropriate signature. If the Executive Officer of the Region determines that a contract under Form MF-200 should have an "on-site" audit, that is, a Government auditor should make an audit of the Operator's books and records of account, the Operator need not support his monthly voucher with original or certified documents except in cases of equipment purchases whose individual costs exceed $50.00. In these cases the original or a certified copy of the purchase order or invoice should be attached to the Monthly Voucher. N. B.—Only the *original* of Form MF-104 is required to be documented. The four copies of Form MF-104 are not to be thus supported.

Form MF-104 submitted for reimbursement under fixed price contracts on Form MF-200 (A), however, are not required to be supported by documentation of any kind. The Operator will submit his claim under item (1) of Form MF-104 by deleting as stated above the word "Independent" and by showing the number of feet or other units immediately after the appropriate descriptive word, such as, drilling, bulldozing, crosscutting, drifting, etc., and giving the "Monthly Total" amount due. "Totals Previously Reported", and "Totals to Date" columns should also be filled in.

GPO 872893

Form ME-104A
(April 1952)

Budget Bureau No. 42-R1151.2

SAMPLE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

SAMPLE

RECEIVED
DMEA

OPERATOR'S UNIT COST AND PROGRESS REPORT

Month of ..... 195..... Docket No. DMEA 64-12 Contract No. Km-[illegible]

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium, Tantalum, Tungsten

Address Spearfish, South Dakota

OPERATION	UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting Churn Drilling	ft.			1742.50	348.5	5.00	1600	5.50
Crosscutting Test Pits	ft.			631.25	25.25	25.00	100	25.00
Raising Supervision	Day			1050.00	37	50.00	100	50.00
Shaft Travel Expense				361.92				1000.00
Winze Meals & Qtrs.	Man/Day			773.04	231	3.35	607	3.00
Drilling Core Gas & Oil	Mo.			173.14			8	100.00
Chem Analyses				330.00	6	55.33	10	25.00
Contingencies: Buildg.				(263.50)				
(Clean drums)				(23.50)				
(Payroll tax)				(23.00)				
(Labor)				([illegible])				2500.00
(Parcel Post)				(5.50)				
(Copies, Assay Rept.)				(10.00)				
(Truck Repairs)				([illegible])				
TOTAL DISTRIBUTED COSTS								TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased								
Initial Rehabilitation and Repairs								
New Buildings, Improvements, etc.								
TOTAL COSTS				6834.10				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date ..... Operator .....

Per ..... Title .....

→ NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

REMARKS:

(Instructions on reverse)

(For Government use only)

Note: All figures are tentative and subject to subsequent adjustment by the Finance Office, Region III, and subject to audit by the Contract Administration and Audit Division, DMEA.

INSTRUCTIONS

Preparation of Form MF-104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF-104A has been designed to tie in with Form MF-104 for both monthly and cumulative costs. The "Total Costs" on Form MF-104A for each month should equal the monthly "Total Costs" as reported on Form MF-104. This is also true of the "Total Costs To Date".

In preparing Form MF-104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DATE		
12/4	C	220
12/6		800
41	FLK	700

224 New Customhouse
Denver 2, Colorado

December 2, 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA 654X
(Tin, Columbium-Tantalum, Tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Your letter of November 22, 1957, to Mr. E. O. Binyon, has been referred to this office for reply.

Enclosed are one copy each of Form MF-104, "Operator's Monthly Report and Voucher," and Form MF-104A, "Operator's Unit Cost and Progress Report," for the period from April 23, 1955 through April 15, 1956, as requested in your letter.

Also enclosed is a copy of the "Administrative Audit Difference Statement," dated June 26, 1956, covering deductions made in processing the voucher for the above period.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region III

Enclosures

JDC:prl

cc: Chmn.Op.Comm.-2
Harshman
DMEA/DFC-Binyon
Townsend
Corres. file
Chron.
} w/copy of Operator's letter of Nov. 22, 1957.

Northwest Defense Minerals, Inc.

Spearfish, South Dakota

Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

RECEIVED
NOV 25 1957
Metallurgical Technology
BUREAU OF MINES
Experiment Station
Denver, Colorado

November 22, 1957

Mr. E. O. Binyon, Engineer
D. M. E. A.
Department of Interior
224 New Customhouse
Denver, Colorado

Re: DMEA 654X,
Idm, E-58

Dear Mr. Binyon:

With reference to our 1957 MF104,104A, we have lost our copies of report 3, Phase II, MF104,104A for the period November 1955-April 1956.

The claim for this period was $1548.12 and in documents dated May 17, 1956 and June 26, 1956 our Corporation was disallowed $650.12.

Please send a photostat copy of our MF104 for report 3, Phase II, November 1955-April 1956 so that we may attempt to carry forward the records to our current MF104,104A, report 4, Phase II.

You can see the enclosed first draft of our MF104, report 4 is incorrect in the 2 and 3 columns.

Thanking you for your courtesies,

Very truly yours,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

Peggy Keenan, President

PK:km

DMEA
DEPARTMENT OF THE INTERIOR
DEC 2 - 1957
REGION III
DENVER, COLORADO

Mr. George Selfridge

OFFICIAL FILE COPY
DME
RECEIVED DEC 3 1957

DATE	INITIALS	CODE
12/3	C	220
"	FLC	100

DN 235 BUR MINES 12-2-57 2-11

CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT 11-22-57, DOCKET ~~DMEA 64, XX~~ DMEA 64 654, CONTRACT IDM ~~TE58~~, NORTHWEST DEFENSE MINERALS, INC. AT ATTEM
AN ATTEMPT WAS MADE NOVEMBER 26 AND 27 TO TAKE DELIVERY OF DRILL HOLE SAMPLES. HOWEVER EFFORTS WERE UNSUCCESSFUL AS DEPTH OF SNOW PREVENTED ACCESS TO SAMPLE STORAGE. TRANSPORTATION COMPANY WILL TRANSPORT SAMPLES TO DENVER AS SOON AS CONDITIONS PERMIT.

W H KING

Denver Colo.

DEC 3 7 48 AM '57
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

224 New Customhouse
Denver 2, Colorado

November 27, 1957

OFFICE FILE COPY
DMEA
RECEIVED
NOV 29 1957
CODE
220
800
700

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket DMEA-654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of November 12, 1957, in which you inquire as to whether Northwest Defense Minerals, Inc. will be reimbursed for the expense of assaying concentrates from the test pits.

Reimbursement will be made for the Government's percentage of the allowable cost for analysis of one combined concentrate sample from each test pit, in conformance with the provisions of Amendment No. 14 to the contract.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

JDC:jy

cc: Chm. Op. Comm. (2)
Harshman
DMEA,DFC
Townsend
Corres. file
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11-22	Knouse	300
11-22	Ellis	700
11-22	Chambers	500
11-22	Martin	140
11-22	Sawyer	140
11-22	Martin	130
"	Johnson	110
"	Rutledge	100
11/25	gf	(210) 220
		100
11-22	Lamb	(130)
11-22	Williams	(130)

NOV 22 1957

DEPARTMENT OF THE INTERIOR

DMEA

11X1101(01) Revolving Fund,
Defense Production Act, Interior
(Transfer to Office of Secretary)

T E L E T Y P E

E. N. HARSHMAN
ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION 3
224 NEW COURTHOUSE BUILDING
DENVER, COLORADO

TELEPHONE CALL MARTIN NOVEMBER 21, DMEA 654 NORTHEAST DEFENSE MINERALS INC. THIS AUTHORIZES FIELD TEAM TO TRANSPORT FROM PROPERTY TO QUALIFIED INDEPENDENT LABORATORY LARGE BAGS OF MATERIAL EXCAVATED FROM DRILL HOLES. ALSO TO PROCESS MATERIAL AND ANALYZE ONE COMPOSITE CONCENTRATE SAMPLE FROM EACH DRILL HOLE AS IS DESCRIBED IN SAID CONTRACT. CHARGE ALL EXPENSES FOR THIS WORK TO PROJECT CONTRACT ACCOUNT. SUGGEST OBTAINING APPROPRIATE BIDS FOR WORK FROM COLORADO SCHOOL OF MINES, SOUTH DAKOTA SCHOOL OF MINES, DENVER EQUIPMENT COMPANY, AND HUMPHREY EQUIPMENT COMPANY. REFERENCE NOVEMBER 18 GOVERNMENT WILL CONTRIBUTE TO COST OF ANALYZING ONLY ONE COMPOSITE CONCENTRATE SAMPLE FROM EACH TEST PIT. PLEASE FOLLOW INSTRUCTIONS OURTLET NOVEMBER 21 REGARDING PAYMENT.

FLKnouse/izm 11-22-57
cc: Mr. Knouse
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

W. S. Martin

ACTING CHAIRMAN, OPERATING COMMITTEE (210)

8623

DMEA FORM 6 REFERENCE SLIP

REV. 12-56 DEFENSE MINERALS EXPLORATION ADMINISTRATION

TO:	INITIALS	DATE
1. ~~Mr. Martin, Code 400~~		
Mr. Knouse		
3. Mr. Martin, Code 400		
4.		
5.		
FROM: George C. Selfridge	GCS	11/21

FOR: Check items for action desired

____ Action ____ Reply for signature of ____

____ Approval ____ Investigate ____ Surname

____ Comment ____ Recommendations ____ Signature

____ Conference ____ Rewrite ____ File

____ Instructions ____ Your information

REMARKS:

Mr. Martin: Before Mr. Selfridge left for the day a wire came in for Committee action re this same subject. Mr. Selfridge had me refer to Mr. Chambers for clearance. This was before the phone call from Mr. Harshman.

HBerry
11/21/57.

IN[illegible]P. SEC., WASH., D.C. M8278

DRAFT (11/21/57)

TELETYPE

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Bldg.
Denver, Colorado

Reurphone call Martin November 21, Docket No. DMEA-654, Peggy Keenan. You are authorized and requested to arrange transportation approximately 38 drums (55 gal.) and approximately 42 drums (15 gal.) of cuttings, some full and some one-half or one-quarter full, to Denver for sampling. Expenses should be charged to project contract account and can subsequently be reapportioned to 9. Obtain appropriate bids for preparation of composite samples from, e.g., Humphries Equipment Company, Denver, and Colorado School of Mines. Also investigate possibility South Dakota School of Mines could handle.

Hashmal
Reggy Keenan

Samples Frozen

38 55 gal drums of cuttings
42 15 " " " "
80

Some full
" 1/2 full
" 1/4 full
Composite ?

Est cost $300 Transport to Denver

bids from Humphries
Denver
Col School of Mines
to
specs prepared by you

What funds to charge

Some Contract funds available

Leave till spring ?

Any long delay may
Kick back on
~~our~~ us

How about So. Dak School of Mines.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/19	Knouse	700
"	Ellis	700
"	Chambers	800
11/20	[illegible]	130
"	Johnson	110
"	Christensen	109
11/21	[illegible]	220
		700

NOV 21 1957

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, Columbium-tantalum, tungsten)
Contract No. Idm-K58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Harshman:

This refers to our teletypes, dated November 5 and 15, 1957, regarding the action to be taken in connection with the subject project.

Please advise when the excavated material from all drill holes and the sample splits recovered from all the test pits have been delivered to the Government. When the material is delivered, we propose to draft a termination agreement in which there will be included an extension of time (until November 1, 1957) to complete the processing of excavated material from the test pits; also, a period of four months, or until March 1, 1958, will be allowed to complete the analyses of the sample splits recovered from the test pits.

In the meantime, please proceed to process the Operator's MF-104 and MF-104A for the work performed, but you should not make any payment for the work until the termination agreement is signed by the Operator. Also, in this connection, you should withhold funds for the Operator's final report.

FLKnouse/gla 11-19-57
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FLKnouse

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (HB)

APPROVED:

Frank D. Lamb (HB)
Member, Bureau of Mines

Thor H. Kiilsgaard (HB)
Member, Geological Survey

8623

DMEA
RECEIVED NOV 20 1957

DATE		CODE
11-26	C	220
11/26		800
11		700

224 New Customhouse
Denver 2, Colorado

November 18, 1957

Memorandum

To: Acting Superintendent, Rapid City Experiment Station

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-E58, Northwest Defense Minerals, Inc.
(Rawlins Mining District) Lawrence County, South Dakota

Reference is made to your memorandum of November 13, 1957 requesting instructions for disposition of five copies of the subject Operator's Progress Report No. 4 and 18 sample splits of material recovered from test pits on the property.

Please mail all copies of the Operator's Progress Report to this office, and forward the sample splits by parcel post to The Denver Federal Center, U. S. Bureau of Mines, Room 137, Building 20, Denver 15, Colorado, attention John F. Shaw.

Original signed by
E. N. HARSHMAN

E. N. Harshman

JDC:jy
cc: Chm. Op. Comm. (2)
Shaw
Harshman
DMEA,DFC
Townsend
Corres. file, Reg. III
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

RAPID CITY EXPERIMENT STATION

SCHOOL OF MINES CAMPUS
RAPID CITY, SOUTH DAKOTA

DMEA
DEPARTMENT OF THE INTERIOR
NOV 14 1957
REGION III
DENVER, COLORADO

November 13, 1957

Memorandum

To: J. W. Townsend, Acting Member, DMEA Field Team, Reg. III

From: Acting Superintendent, Rapid City Experiment Station

Subject: DMEA Docket No. 654-X, Contract E-58, Northwest Defense Minerals, Inc., Lawrence County, S. Dak.

Miss Peggy Keenan delivered to this office yesterday 18 samples of spiral and jig concentrates from her properties in Lawrence County, S. Dak., together with five copies of Progress Report No. 4, at the request of the Washington office of DMEA.

Please advise us as to whom the report should be forwarded and what disposition should be made of the samples. The latter probably could be shipped by parcel post, but if they are to be shipped under government bill of lading, please advise as to the allotment account to be charged.

J. M. Riley

J. M. Riley

cc: J. H. East
files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

November 18, 1957

CITROM THE COPY
DMEA
RECEIVED NOV 21 1957
DATE | INITIALS | CODE
11/21 | C | 220
" | Knowse | 700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-E58, Northwest Defense Minerals, Inc.
(Rawlins Mining District) Lawrence County, South Dakota

Enclosed are three copies of a letter, from the subject Operator, dated November 12, 1957, regarding delivery of sample splits from the test pits excavated under the subject contract and requesting information as to whether or not reimbursement will be made for the Government's share of assaying costs.

It is our understanding that the Operator will be reimbursed for the Government's share of the assaying costs for one composite sample from each test pit; however, we are referring the matter to your office for reply directly to the Operator.

E. N. Harshman

E. N. Harshman

Enclosures

Northwest Defense Minerals, Inc.

Spearfish, South Dakota

Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

November 12, 1957

DMEA
DEPARTMENT OF THE INTERIOR
NOV 14 1957
REGION III
DENVER, COLORADO

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
Department of Interior
224 New Customhouse Bldg.
Denver, Colorado

Dear Mr. Harshman:

On November 12, 1957, we delivered to Mr. J. M. Riley, Bureau of Mines, Rapid City, South Dakota 18 splits of samples recovered from the Caisson gravels excavated from Beaver and Bear Creeks in 1955. 6 bottles of gold representing as nearly as possible, onehalf the gold recovered.

Five copies of the Engineer's report were enclosed in the delivered package, no assays have been made. Inquiry is herewith made, is Northwest Defense Minerals, Inc. going to be reimbursed for expense of assays on these samples?

As soon as our documented expenditure MF104,104A is reimbursed, we plan on processing the churn drill cuttings.

Yours very truly,

NORTHWEST DEFENSE MINERALS, Inc;

Peggy Keenan, President

Peggy Keenan, President

PKckm

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 18 1957
DATE | INITIALS | CODE
11/18 | gb | 220
11/18 | [illegible] | 800
[illegible] | [illegible] | 700

224 New Customhouse
Denver 2, Colorado
November 15, 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of November 11, 1957, requesting information regarding preparation of Forms MF-104 and MF-104A covering the work recently completed by Northwest Defense Minerals, Inc.

The amounts to be carried over from 1956 can be determined by deducting the net amount disallowed from the total amount reported for each item of work under Phase II. The total costs reported on the two forms must be in agreement.

We cannot verify any cost figures for Phase II at this time as this can be accomplished only by an audit or review of the reported project expenditures by the Contract Administration and Audit Division, DMEA.

Yours very truly,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
DMEA/DFC
Townsend
Corres.file, Reg.III
Chron
) w/copy of Operator's letter of 11/11/57

Northwest Defense Minerals, Inc.

Spearfish, South Dakota

Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

NOV 15 1957
REGION III
DENVER, COLORADO

Nov 11, 1957

Mr. E N. Harshman,
Acting Executive Officer
DMEA Field Team, Region III
U.S. Department of Interior
Denver, Colorado.

Re
Project
DMEA, Idm E 58,
654x.

Dear Mr. Harshman:

The Northwest Defense Minerals, Inc. is in process of documenting the Operators MT 104, 104A, from the records, to be submitted to your office for reimbursement. Will you please refer to our MT 104 and 104A dates April 21, 1956 and April 26, 1956 and verify whether we should use these records to carry our records forward from 1956 to 1957?

Our April 21, 1956 MT 104 shows a total expenditure to date of $7686.52 on Phase II, — is this figure correct and should we use it on our current MT 104?

Thanking you for your courtesy,

Yours very truly,
Northwest Defense Minerals, Inc.,
Peggy Keenan, President

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/15	Knouse	700
"	Ellis	700
"	Chamber	800
11/15	Martin	130
"	Johnson	110
"	Mittendorf	100
11/18	gb	220
		700
11/15	Williams	730

Department of the Interior
11/15 Kamb 130
DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

MISS PEGGY KEENAN, PRESIDENT
NORTHWEST DEFENSE MINERALS, INC.
RAPID CITY, SOUTH DAKOTA

REURTEL NOVEMBER 14, DMEA-654, DENVER OFFICE WILL CONTACT YOU EARLY DATE TO ARRANGE DELIVERY AT PROPERTY OF REMAINING EXCAVATED MATERIAL FROM DRILL HOLES.

C. O. Mittendorf (for)

C. O. MITTENDORF, ADMINISTRATOR

FLKnouse/gla
11-15-57
cc to: Admr.'s Reading File
FLKnouse
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/15	Knouse	700
"	Ellis	700
"	Chambers	800
11/15	Martin	130
"	Johnson	110
"	Gutendorf	100
11/18	gb	220
		700
11/15	Lamb	130
11/15	Williams	130

NOV 15 1957

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

TELETYPE

E. M. HARSHMAN, ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REOURTT NOVEMBER 5, DMEA-654, NORTHWEST DEFENSE MINERALS, INC., OPERATOR ADVISES IT WILL RELEASE TO GOVERNMENT AT PROPERTY REMAINING MATERIAL EXCAVATED FROM DRILL HOLES. PLEASE PROCEED IMMEDIATELY TO OBTAIN MATERIAL, PROCESS IT AND HAVE RECOVERED SAMPLES ANALYZED AS INDICATED IN ADMINISTRATOR'S LETTER MARCH 1, 1957, TO OPERATOR. OPERATOR NOW AT RAPID CITY, SOUTH DAKOTA.

W. S. Martin
ACTING CHAIRMAN, OPERATING COMMITTEE

FLKnouse/gla
11-15-57
cc to: Admr.'s Reading File
FLKnouse
Operating Committee
Confirmation to Region III w/2 cc of incoming telegram
THKiilsgaard, 5224

8623

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

MA356

M RTA182 NL PD=RAPID CITY SDAK 14= 1957 NOV 15 AM 1 31

C O MITTENDORF, ADMINISTRATOR=

DMEA DEPT OF INTERIOR WASHDC=

REURTEL NOVEMBER 13 OUR CORPORATION WILL RELEASE REMAINING EXCAVATED MATERIAL FROM CHURN HOLES TO DMEA AT OUR PROPERTY MILL AT ONCE. OUR CORPORATION HAS NO FUNDS AVAILABLE UNTIL CURRENT PROCESSING MF104 COSTS HAVE BENN REIMBURSED. WE AGAIN REQUEST PERMISSION TO PROCESS REMAINING MATERIAL. WE DELIVERED 18 SPLITS AND 6 GOLD SAMPLES NOVEMBER 12TH TO RAPID CITY OFFICES=

NORTHWEST DEFENSE MINERALS INC BY PEGGY KEENAN=.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 15 1957

DATE	INITIALS	CODE
11/15	gb	220
11	FLK	700

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/12	Knouse	700
"	Ellis	700
"	Johnson	110
"	Mittendorf	100
11/13	C	220
		700

NOV 13 1957

Department of the Interior
DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior (Transfer to Office of Secretary)

MISS PEGGY KEENAN, PRESIDENT
NORTHWEST DEFENSE MINERALS, INC.
RAPID CITY, SOUTH DAKOTA

REURTEL NOVEMBER 11, DMEA-654, OURLET SEPTEMBER 12, 1957, REQUESTED DELIVERY OF ALL THE REMAINING EXCAVATED MATERIAL FROM ALL DRILL HOLES AND TEST PITS OR SAMPLE SPLITS THEREFROM BY OCTOBER 31, 1957. SINCE EXCAVATED MATERIAL FROM DRILL HOLES HAS NOT BEEN PROCESSED, ADVISE WHEN ALL THIS REMAINING MATERIAL CAN BE DELIVERED TO GOVERNMENT AT YOUR PROPERTY.

FLKnouse/gla
11-12-57
cc to: Admr.'s Reading File
Mr. Knouse
DMEA Field Team, Region III (2) w/2cc Miss Keenan's telegram 11/11/57

C. O. Mittendorf (for)

C. O. MITTENDORF, ADMINISTRATOR

8623

CLASS OF SERVICE

fast message
ts deferred char-
ndicated by the
proper symbol.

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Lette
NL=Night Le
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

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1957 NOV 11 PM 9 30

M RTA105 NL PD AR=RAPID CITY SDAK 11=

FRANK E JOHNSON, ACTING ADMINISTRATOR=

DMEA DEPT OF INTERIOR WASHDC=

RETEL SAMPLE SPLITS AND PANNED AMALGAMATED GOLD AND REPORT FROM BEAVER AND BEAR CAISSON PROCESS DELIVERED J. M RILEY ENGINEER RAPID CITY OUR ENGINEER ADVISES THESE SAMPLES GIVE CLEAR READINGS ON PLACER AREAS CONCERNED BEFORE ASSAY PLEASE CLARIFY WHAT YOU MEAN AND WHERE QUOTE FOB PROPERTY TO GOVERNMENT UNQUOTE. THERE ARE TONS CHURN CUTTINGS IN DRUMS TO TRANSPORT

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

M DWA030 P DH COLLECT $2.11

NOV 5 PM 6 09

WASHINGTON DC NOV 5 1957

FRANK E JOHNSON

ACTING ADMINISTRATOR DEPT OF INTERIOR DMEA WASHDC

YOUR TELEGRAM NOV 5TH TO MISS PEGGY KEENAN PRESIDENT NORTHWEST DEFENSE MINERALS INC SPEARFISH SDAK. HAS BEEN FORWARDED TO RAPID CITY SDAK. WE CHARGE FORWARDING CHARGES TO THE GOVERNMENT

WESTERN UNION NA. 8-7100 EXT. 263.

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

OFFICIAL FILE COPY
DMEA
RECEIVED NOV 6 1957

DATE	INITIALS	CODE
11/6	gb	220
		700

NOV 5 11 PM 6 24

MEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/5	Kuquse	700
"	Ellis	700
11/5	[illegible]	130
"	Johnson	110
11/6	[illegible]	220
		700

NOV 5 1957

Department of the Interior

DMEA

14 X1401(01) Revolving Fund,
Defense Production Act, Interior,
(Transfer to Office of Secretary)

T E L E T Y P E

E. N. HARSHMAN, ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURMEMO NOVEMBER 1, DMEA-654 NORTHWEST DEFENSE MINERALS, INC., WE ARE CONTACTING OPERATOR. DEFER FURTHER ACTION UNTIL INSTRUCTED.

SIGNED

CHAIRMAN, OPERATING COMMITTEE

FIKnouse/gla
11/5/57
cc to: Admr.'s Reading File
FIKnouse
Confirmation to Region III
w/2cc telegram to Northwest Defense Minerals, Inc.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/5	[illegible]	700
"	[illegible]	700
11/5	[illegible]	130
"	[illegible]	120
11/6	[illegible]	720
		700

NOV 5 1957

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

MISS PEGGY KEENAN, PRESIDENT
NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

REOURLET SEPTEMBER 12, 1957, DMEA-654,

SINCE MATERIAL RECOVERED BY CHURN DRILLING HAS NOT BEEN PROCESSED, PLEASE TELEGRAPH, WITH COPY TO REGION III, WHEN YOU WILL DELIVER MATERIAL F.O.B. PROPERTY TO GOVERNMENT AS WELL AS SAMPLE SPLITS FROM TEST PIT MATERIAL.

SIGNED
FRANK E. JOHNSON
ACTING ADMINISTRATOR, DMEA

FLKnouse/gla
11-5-57
cc to: Admr.'s Reading File
FLKnouse
Confirmation to Miss Keenan
DMEA Field Team, Region III (2)

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICE OF THE COMM. DMEA RECEIVED NOV 4 1957		
DATE	INITIALS	CODE
11/4	gb	220
11	[illegible]	700

November 1, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-654X (Tin-Columbium-Tantalum-Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Rawlins Mining District, Lawrence County, South Dakota

Enclosed are three copies of a letter dated October 26, 1957, from the subject Operator, requesting Voucher and Accounting Forms MF-104, and MF-104A, on which to report the cost of work performed during October, 1957. The forms have been forwarded to the Operator as requested.

According to the Operator's letter, all of the material from the test pits has now been processed. No mention is made of processing of the material from the drill holes, or of delivery to the Government of sample splits, as outlined in the Acting Administrator's letter of September 12, 1957, to the Operator. It is the opinion of this office that no further payment should be made to the Operator until all of the material from the test pits and drill holes has been processed, and complete analytical results are received by the Government. We will appreciate your advice in the matter.

Amendment No. 15 extended the completion date to November 15, 1956, only for the purpose of completing the processing of, and analytical work on, the samples from test pits and drill holes completed prior to January 1, 1956. The completion date will have to be further extended before reimbursement can be made to the Operator for work performed subsequent to November 15, 1956. This office has received no request from the Operator for an Amendment to extend the completion date; however, as the Operator has been negotiating with your office for several months regarding the processing and analytical work, it is possible that a request for extension may have been submitted to your office. If this is not the case we will contact the Operator regarding the matter upon instructions from you as to how we should proceed.

for E. N. Harshman

Enclosures

Northwest Defense Minerals, Inc.
Spearfish, South Dakota
Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

Oct 26 1957

DMEA
DEPARTMENT OF THE INTERIOR
OCT 29 1957
REGION III
DENVER, COLORADO

Administrator,
Region III Field Team,
DMEA,
Dept of Interior,
224 New Customhouse,
Denver, Colorado.

Dear Sir:

With reference to DMSA 654 Northwest Defense Minerals, Inc. all of the materials excavated in 1955 in Beaver and Bear Creeks - from the Caissons - have been processed during October 1957 in the Corporation mill.

We are advised by Mr. C.O. Mittendorf of Washington DC to request MS 104 Monthly Progress Report Blanks so that we may document for reimbursement

Please mail 8 copies to the above address.

Yours very truly,
Northwest Defense Minerals, Inc
Peggy Keenan, President

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
10/25	Knouse	700
"	Ellis	700
"	Chambers	800
"	Brown	110
"	Mittendorf	100
10/28	C	220
/		700
10/25	Selfridge	120

OCT 25 1957

OCT 25

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

PEGGY KEENAN, PRESIDENT
NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

REURTEL OCTOBER 23 DMEA-654 REIMBURSEMENT CAN BE MADE ONLY WHEN PROPERLY DOCUMENTED MF-104 MONTHLY PROGRESS REPORT IS SUBMITTED TO REGION III DENVER OFFICE.

FLKnouse/gla
10-25-57
cc to: Admr.'s Reading File
Mr. Knouse
DMEA Field Team, Region III
w/2 copies Miss Keenan's letter
October 23, 1957

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR

8623

STANDARD FORM NO. 14
APPROVED BY THE PRESIDENT
MARCH 10, 1926

TELEGRAM

OFFICIAL BUSINESS—GOVERNMENT RATES

FROM Department of the Interior

BUREAU DMEA

CHG. APPROPRIATION 14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

U. S. GOVERNMENT PRINTING OFFICE 10—1723

OCT 25 1957

PEGGY KEENAN, PRESIDENT
NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

REUR~~TEL~~ LET OCTOBER 23 DMEA-654 REIMBURSEMENT CAN BE MADE ONLY WHEN PROPERLY DOCUMENTED MF-104 MONTHLY PROGRESS REPORT IS SUBMITTED TO REGION III DENVER OFFICE.

C. O. Mittendorf

C. O. MITTENDORF, ADMINISTRATOR

Phoned to main U. H. office 6:50 P.M.
10/25/57. fw
Confirmation mailed 10/28.

Northwest Defense Minerals, Inc.

Spearfish, South Dakota

Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

October 23, 1957

Mr. C. O. Mittendorf, Administrator
D. M. E. A.
Rare and Miscellaneous Metals and Minerals
Department of the Interior
Washington, D. C.

Dear Mr. Mittendorf:

The Northwest Defense Minerals, Inc. has processed and concentrated all of the 1955 excavated gravels recovered from the Caissons in Beaver Creek and Lower Bear Creek, 70 Flats. The jig and Humphrey Spiral Concentrates recovered from each horizon, plus the balance of bedrock gravels from Beaver are in process of drying and weighing. The one half of each recovered sample will be delivered to the Rapid City office of the Bureau of Mines, c/o Mr. J. M. Riley, this week. The Engineer's documentation and report will follow soon after.

The Corporation has expended approximately $ 1,054.[illegible] for Engineer, labor, gas, oil, transportation and food. The Board of Directors have advised that they have expended the limit of funds available and to advise the DMEA that as soon as the Corporation is reimbursed for the expenditures they will advise us to proceed to use these funds to process the materials also stored in our mill which were excavated from Beaver and Bear in 1955 by Churn drill.

Will you therefore advise exactly how to handle the documentation for reimbursement, We wish to cooperate.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

Peggy Keenan, President

cc: Mr. James Everett Bacon

OFFICIAL FILE COPY
DMEA
RECEIVED OCT 25 1957

DATE	INITIALS	CODE
10/25	C	220
"	CM	100
"	FL/C	700

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/9	Knouse	700
9/9	Ellis	700
9/9	Talbert	800
9/11	Rutherford	140
"	Dunger	160
		110
9/12	P	220
		700

SEP 12 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

INTERIOR DEPT.
SEP 9 - 1957
SOLICITOR

Re: Docket No. DMEA-654 (Tin, ~~tungsten~~)
columbium-tantalum,
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

We note in your letter of August 28, 1957, that you will complete the processing of the samples recovered during 1955 from the test pits and drill holes not later than October 31, 1957. Also that you will immediately thereafter deliver to the Government one half of the concentrate recovered from each of these samples.

Since there were three severe snow storms the past winter between October 24 and November 6 that stopped this work, the processing of the samples should be completed and a split of the concentrates delivered to the Government by October 15.

If you are unable to complete the processing of the samples and deliver the split portions of them to the Government before weather conditions will stop the work, you should deliver, to our Field Team, all of the samples for testing and analyzing as suggested in our letter of March 1, 1957.

Unless either one or the other of the above-mentioned procedures is completed by October 31, 1957, we will proceed to turn this case over to the Attorney General for appropriate action, in accordance with our letter of July 9, 1957.

Sincerely yours,

FEJohnson/EWEllis

FLKNOUSE/izm 9-9-57

FRANK E. JOHNSON
Acting Administrator

cc: Knouse
Admr.'s Reading File
DMEA FT Reg. 3 (2)
w/2cc's of incoming letter

(B.J.H.)

RECEIVED
SEP 10 1957
ASSOC. SOLICITOR
MINERAL RESOURCES

8623

NORTHWEST DEFENSE MINERALS, INC.

Spearfish, South Dakota

August 28, 1957

Mr. C. O. Mittendorf, Administrator
D. M. E. A.
Department of Interior
Washington, D. C.

Dear Mr. Mittendorf:

The Northwest Defense Minerals, Inc. wish to advise that the processing of the DMEA samples recovered in 1955 and stored in the mill will be processed between Oct. 15 and Oct. 31, 1957. Shortly thereafter the one half of the concentrates will be delivered to the Rapid City Bureau of Mines. Approximately the same circuit will be used, as in 1955.

The material will be concentrated from each 6 foot level in order to determine, if possible, the depth of the overburden in these deep placers. Thanking you for your patience and many courtesies,

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan

Peggy Keenan, President

PK;km
cc: James Everett Bacon

9/3 C 220
4 ~~PBK~~ 700

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1957 AUG 19 AM 7 32 1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

WT002 NL PD=SIOUX FALLS SDAK AUG 18=

:C O MITTENDORF, ADMINISTRATOR DMEA=

:DEPT OF INTERIOR=

EXPECT OUR SECURITIES BROKER TO ARRIVE HERE MOMENTARILY AND ADVISE OUR DATE OF DMEA PROCESSING. WILL CONTACT YOU LATER THIS WEEK=

:NORTHWEST DEFENSE MINERALS INC=

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 19 1957

DATE	INITIALS	CODE
8/18	C	220
8/19	[illegible]	700

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUL 15 1957

CERTIFIED MAIL
RETURN RECEIPT

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

There is enclosed the original of a letter, dated July 9, 1957, that was sent to your New York address and returned. A copy of this letter was also forwarded to your address in Spearfish, South Dakota.

Sincerely yours,

O Meitzenberg

Administrator

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
150 East 39th Street
New York, New York

NOT AT
HOTEL DRYDEN
150 E. 39th ST., N. Y. C.

NEW YORK, N. Y.
JUL 10
10-PM
1957

GRAND CENTRAL STATION

STATES
THE INTERIOR
RATION ADMINISTRATION
N 25, D. C.

nc. JUL - 9 1957

et No. DMEA-654
, columbium-tantalum, tungsten)
ract No. Idm-E58
an Properties
ence County, South Dakota

7, 1957, informed you that it would
some action in the near future to
ntract. The last field work done
act was the latter part of 1955,
have been provided since then to

the contract, one-half of the con-
om each drill hole and/or test pit
overnment. Since the material re-
and test pits was stored without
r letter of March 1, 1957, to have
tical work done and to furnish
ratory report when it paid its
To date, your corporation has not
ision on the offer.

as amended, provided that the
ted by November 15, 1956, the con-
erefore, unless you either deliver
of the concentrates from all the
required by the contract, or all
samples as suggested in our letter
ys from the date of this letter,
o turn the case over to the Attorney
on, which may subject you and North-
to repayment of the full amount
tion to the project.

Sincerely yours,

O. Mittendorf
Administrator

Copy to: Miss Peggy Keenan, Spearfish, South Dakota

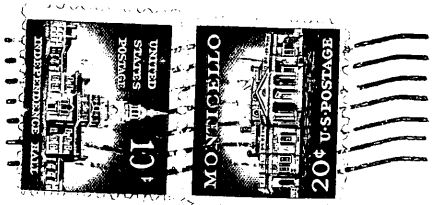
UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

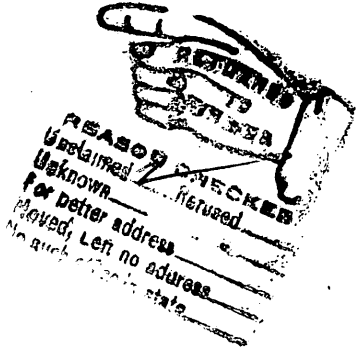
CERTIFIED MAIL
№ 824327

RETURN RECEIPT REQUESTED

WASHINGTON, 17
JUL 15
8-PM
1957
D.C.



Miss Peggy Keenan, President
Northwest ~~Defense~~ Minerals, Inc.
~~Spearfish, South Dakota~~



SPEARFISH
AUG 8
3 PM
1957
S. DAK.

SPEARFISH, S. DAK.
JUL
18
1957
PARCEL POST

DELIVERING EMPLOYEE

☐ Deliver ONLY to addressee.

☐ Show address where delivered.

Received from the postmaster the registered, certified, or insured article, the number of which appears on the face of this return receipt.

1. _____
(*Signature or name of addressee*)

2. _____
(*Signature of addressee's agent—Agent should enter addressee's name on line ONE above*)

Date of Delivery _____

☆ U. S. GOVERNMENT PRINTING OFFICE : 1955 16—71548-1

Gateway to America's Premier Vacation Land

Aug 17

Pierre

Address

letter

Aug 15

completion

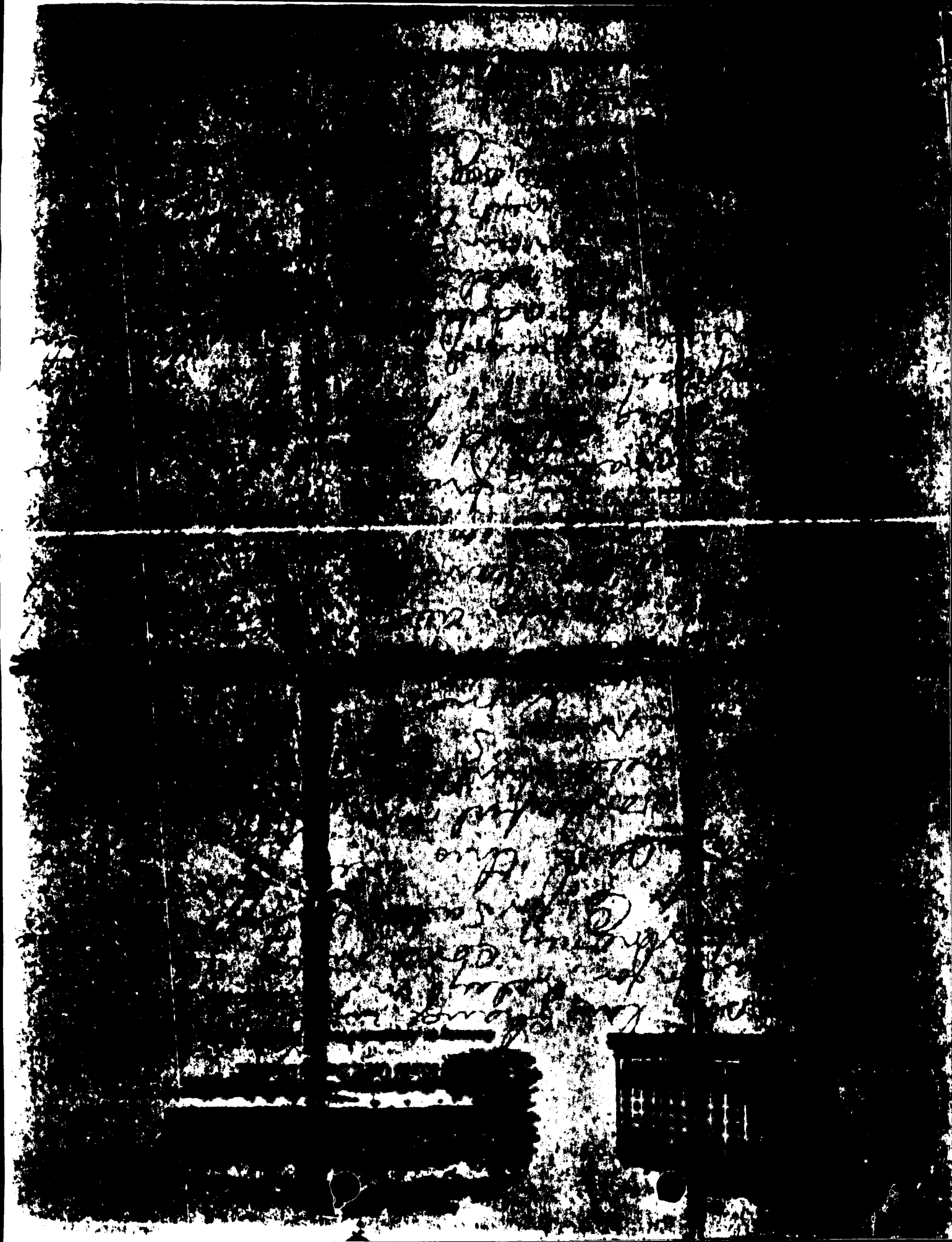
and deliver

concentrates to

1957

8-14-57

On 8-12-57 Mr. Knouse spoke with Mr. Bacon, and was advised that Mr. Bacon would determine the correct address for Miss Keenan.



Rapid City, South Dakota

Gateway to America's Prairie Vacation Land

VISIT MT. RUSHMORE MEMORIAL...GREATER THAN THE PYRAMIDS!

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL=Day Letter

NL=Night Letter

LT=International Letter Telegram

1201

(41)

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

OFFICIAL FILE COPY

1957 DMEA

RECEIVED AUG 5 1957

DATE	INITIALS	CODE
8/5	P.K.	220 46
1.	FER	700

WT006 NL PD=ART RAPID CITY SDAK AUG 4=

C O MITTENDORF,

ADMINISTRATOR=DMEA DEPT OF INTERIOR=

:RETEL JUST RECEIVED. EXPECT UNDERWRITER TO ADVISE BY 8-15-57. DATE OF RELEASE OF FUNDS WHICH WILL ENABLE NORTHWEST DEFENSE MINERALT O SET DATE OUR COMPLETION PROCESSING OF TEST SAMPLES, AND DELIVERY DIVISION 1/2 CONCENTRATES TO D.M.E.A. PLEASE SET YOUR RECORDS AHEAD TO AUGUST 15 WHEN WE WILL ADVISE DATE PROCESSING=

:NORTHWEST DEFENSE MINTERALS BY PEGGY KEENAN=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/25	Knouse	700
"	Johnson	110
26	Mittendorf	100
7/26	C	220
7/26	C	100

JUL 26 1957

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

PEGGY KEENAN, PRESIDENT
NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH HOTEL
SPEARFISH, SOUTH DAKOTA

REURLET JULY 20, DOCKET DMEA-654, ON WHAT DATE WILL YOU GUARANTEE TO COMPLETE PROCESSING OF ALL SAMPLES RECOVERED FROM EACH DRILL HOLE AND/OR TEST PIT COMPLETED DURING 1955 AND DELIVER TO THE GOVERNMENT ONE-HALF OF THE CONCENTRATE RECOVERED FROM EACH SAMPLE AS IS DESCRIBED IN AMENDMENT NO. 3 OF THE CONTRACT.

C. O. Mittendorf (for)

C. O. MITTENDORF, ADMINISTRATOR

FLKnouse/gla
7-25-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
THKiilsgaard, Rm. 5224
DMEA Field Team, Region III (2) w/2cc Miss Keenan's letter 7/20/57

8623

NORTHWEST DEFENSE MINERALS INC.
Spearfish, South Dakota
Telephone 2-E-14

COPY
DMEA
RECEIVED JUL 24 1957

DATE	INITIALS	CODE
7/24	C	220
		100
7-24	JK	800
7-24	JLK	700
		225

Columbium - Tantalum, Gold, Tin, Tungsten

July 20, 1957

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Mr. Mittendorf:

With reference to your letter dated July 9, 1957, I cannot understand why you have never received a short letter from me in June, which was written while I was travelling for our Corporation.

It is urgent that you are again advised as to the non-activity of our Corporation in 1956,1957. The financial propositions submitted to our Board of Directors were not accepted during this period. Our Securities and Exchange status was cleared and amended on May 29, 1957 and our common stock sales began after July 4, 1957. This is the first time since 1955 that our Corporation has seen the light of day and I have carried the project personally.

There was no money to advance to carry on any Government contract work and we expected each month to consummate satisfactory finance and proceed under the direction of our Board to meet contract obligations. We could not agree to a suggested obligation of a pro rata share of any cost of processing and assaying the material recovered in the 1955 DMEA work until we had finance.

The current finance is progressing well during the last 10 days. The money from the sale of our securities is clearly obligated for production, equipment and operation in an area tested under the 1951 DMEA work in the placer stream gravels of Bear Creek.

The equipment set up in our mill to process the 1955 DMEA material recovered still stands there awaiting our processing(with the exception of a small trommel screen). Since we will have workmen and engineers on the property, paid for out of our current financing, who could also process the stored gravels -

We request consideration to allow us to run the balance of the recovered material under R. M. Atwater's supervision and keep the cost responsibility similar to the process amendments written in late1955-56 by Mr. Knouse. I personally request an affirmative consideration of this proposal because I have, at all times, done my best, almost alone, to keep the project in good standing.

Since 1955, many changes and discoveries have taken place on our properties when we allowed finance to investigate - such as the presence of the Rare Earths, Beryllium, Titanium, re-constituted Mica and other materials in Pegmatite Dikes now needed for the Jet Age, Electronic Indistrues and A.E.C. requirements. We control an area of approximately 20 square miles containing as many as 20 Pegmatite Dikes. Recently we have been investigated by a large utility corporation who request a proposition to set up our underground documented investigation and operation.

Since we are now not at long last getting underway again with a reputable underwriter and with a bright future, will you please hold up any legal action and give us time to finish our finance and prodeed with our serious intentions and proposal as outlined above?

I will be in the Spearfish area for the next 30 days, address Spearfish Hotel.

Yours very sincerely,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan

PEGGY KEENAN, President

pk:km

cc: Mr. James Everett Bacon, Sedretary
P.O.Box 128, Silver Spring, Maryland

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/12	Knouse	700
"	Johnson	110
18	Rottendorf	100
7/16	C	220
		700

JUL 15 1957

CERTIFIED MAIL
RETURN RECEIPT

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

There is enclosed the original of a letter, dated July 9, 1957, that was sent to your New York address and returned. A copy of this letter was also forwarded to your address in Spearfish, South Dakota.

Sincerely yours,

C. O. Rittenhouse (fw)
Administrator

Enclosure

FLKnouse/gla
7-12-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/3	Knouse	700
"	Ellis	700
7/5	[illegible]	140
7-9	[illegible]	140
7-9	Chambers	800
"	Johnson	110
"	[illegible]	100
7/9	[illegible]	220
/		700

JUL - 9 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
150 East 39th Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

Our letter of May 27, 1957, informed you that it would be necessary for us to take some action in the near future to assure completion of your contract. The last field work done under the terms of the contract was the latter part of 1955, and various time extensions have been provided since then to complete the project work.

Under the terms of the contract, one-half of the concentrate sample recovered from each drill hole and/or test pit was to be delivered to the Government. Since the material recovered from the drill holes and test pits was stored without processing, we offered in our letter of March 1, 1957, to have all the processing and analytical work done and to furnish Northwest a copy of the laboratory report when it paid its pro rata share of the cost. To date, your corporation has not rendered and submitted a decision on the offer.

Since the contract, as amended, provided that the project work would be completed by November 15, 1956, the contract is now in default. Therefore, unless you either deliver to the Government the split of the concentrates from all the drill holes and test pits as required by the contract, or all the drill hole and test pit samples as suggested in our letter of March 1, within thirty days from the date of this letter, we have no alternative but to turn the case over to the Attorney General for appropriate action, which may subject you and Northwest Defense Minerals, Inc., to repayment of the full amount of the Government's contribution to the project.

FLKnouse/FEJohnson/RDwyer/gla
7-3-57
cc to: Admr.'s Reading File
Code 700, Mr. Knouse
DMEA Field Team, Region III (2)

Sincerely yours,

C. O. Mittendorf (for)

Administrator

Copy to: Miss Peggy Keenan, Spearfish, South Dakota

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5-24	Ellis	700
"	Mittendorf	100
5/27		220
		780

MAY 27 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
150 East 39th Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-158
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of April 11, 1957, in reply to our previous correspondence. It was noted therein that you were in the process of reorganizing your company and preparing for new finances.

I feel sure that you will agree that some action on our part will be necessary in the near future in view of the extreme period of time required to complete your contract.

Action on our part is awaiting your company's decision on the proposal made in our letter of March 1, 1957. Accordingly, please let us have your decision at the earliest date possible.

Sincerely yours,

C. O. Mittendorf (for)

Administrator

EWEllis/dlm 5-24-57
cc to : Mr. Ellis
Admr.'s Reading File
DMEA FT Region III (2)

8623

NORTHWEST DEFENSE MINERALS INC.
Spearfish, South Dakota
Telephone - 2 F 14

Columbium - Tantalum, Gold, Tin, Tungsten

OFFICIAL FILE COPY
DMEA
RECEIVED 1957

DATE		CODE
4/15	C	220
"	COM	100
4-16	~~Knouse~~	700
		225

April 11, 1957

Mr. C. O. Mittendorf, Administrator
Bare and Miscellaneous Metals
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

DMEA-654

Dear Mr. Mittendorf:

With reference to your letters of March 1 and 29, 1957, please forgive the delay in answering. I have been away on a mission.

We are in the process of reorganizing our Corporation and preparing to receive new finance. As soon as our Board of Directors approves or disapproves your very kind proposal to dispose of our 1955 work we will advise you. We appreciate your consideration and cooperation over the years.

This time, Mr. Mittendorf, I am sure I will make the grade. Please convey my personal regards to Mr. Ellis, Mr. Knouse and all those who have been so patient.

Yours very sincerely,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan km
Peggy Keenan, President

PK:km
Airmail

copy made for Code 700 -

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/28	FIKnouse	700
3/29	Johnson	110
	CMittendorf	100
3/1	C	220

MAR 29 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
150 East 39th Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to my letter of March 1, 1957, which proposed a plan to complete the processing and analyses of the samples recovered from the drill holes and test pits completed under Phase II of the subject project. Inasmuch as we have not received a reply to this letter, it is requested that you advise us as promptly as possible whether or not you approve our proposal.

Sincerely yours,

C. O. Mittendorf

Administrator

FIKnouse/gla
3-28-57
cc to: Admr.'s Reading File
Code 700
Mr. Knouse
THKiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
3-5	Knouse	700
3-5	Ellis	700
"	Johnson	110
"	Mittendorf	100
3/5	C	220

2250

MAR - 5 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
150 East 39th Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium, tantalum, tungsten)
Contract No. Idm-858
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

For your information, there is enclosed a copy of a letter, dated February 28, 1957, from Black, Varian & Simon, Attorneys for Lucius Pitkin, Inc. They were advised of your current New York address with DMEA and, also, your address at Spearfish, South Dakota.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

FLKnouse/gla/iam 3-5-57
cc to: Mr. Knouse
Code 700
Admr.'s Reading File
THKillilsgaard, 5224
ARenick, 3624
DMEA FT Reg. 3 (2) w/2cc of Feb 28 Letter above

8623

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
3-5	Knouse	700
3-5	Ellis	700
"	Johnson	110
"	Chittenden	08
3-5	C	220

225

MAR - 5 1957

Black, Varian & Simon
Attorneys and Counsellors
60 Wall Street
New York 5, New York

Re: Docket No. DMA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-158
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Gentlemen:

Our current address for the subject Operator is 150 East 39th Street, New York, New York. The most recent correspondence from Miss Peggy Keenan has been from Spearfish, South Dakota.

We hope this information serves to answer your inquiry of February 28, 1957.

Sincerely yours,

C. O. Mitterdorf

Administrator

FLKnouse/gla/izm 3-5-57

cc to: Mr. Knouse
Code 700
Admr.'s Reading File
ARenick, 3624
THKiilsgaard, 5224
DMEA FT Reg. 3 (2)

8623

DMEA Form 7
(12-56)

700

OFFICIAL FILE COPY

Date	Surname	Code
2/28	Kusum	700
2/28	Johnson	110
3/1	Mittendorf	100
		~~220~~
2-28	Chandler	~~808~~
3/1	C	220
		225

MAR - 1 1957

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
150 East 39th Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

Your letters, dated November 6, 1956, to Messrs. Ernest Wm. Ellis and W. M. Traver, indicated that you would not be able to finish the processing of the samples recovered from the drill holes and test pits completed under Phase II before November 15, 1956, which was the completion date of the project work.

As you are aware, there have been extra extensions of the contract which gave you ample time to complete the processing of these samples. However, since all parties concerned are interested in completing the processing and analyses of the samples at the earliest possible date, the Government is willing to have all the samples transported to a qualified independent laboratory and have the processing and analytical work done. Then "Northwest" would be furnished a copy of the laboratory report when it paid its pro rata share of the cost.

If this course of action meets with your approval, please inform us by return mail.

Sincerely yours,

R. O. Mittendorf

Administrator

FLKnouse/gla
2-28-57
cc to: Admr.'s Reading File
Code 700
Mr. Knouse
T. H. Kiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)

8623

2/1/8

BLACK, VARIAN & SIMON

ATTORNEYS AND COUNSELLORS

60 WALL STREET

NEW YORK 5, N.Y.

ALFRED W. VARIAN 1902-1950
HERBERT M. SIMON
JOHN F. VARIAN

ARTHUR WAGNER

TEL. DIGBY 4-2454
CABLE ADDRESS "NAIRAV"

February 28, 1957

Mr. C. O. Mittondorf
Defense Minerals Exploration
Administration
Washington 25, D. C.

Re: Lucius Pitkin, Inc.
vs. Northwest Defense Minerals, Inc.

Dear Mr. Mittondorf:

We are the attorneys for Lucius Pitkin, Inc., the firm that Dr. Bell is associated with. Some time ago, Dr. Bell did some work for Northwest Defense Minerals, Inc. Prior to his undertaking of this work, we understand that he discussed the matter with you and you had indicated to him that you had some familiarity with this firm or their project. Dr. Bell is anxious to get in touch with this corporation or Miss Peggy Keenan, the president of this firm.

We wonder if you could assist him.

Very truly yours,

Black Varian & Simon

MHR:SM

OFFICIAL FILE COPY
DMEA
RECEIVED MAR 1 1957

DATE	INITIALS	CODE
3/1	C	220
1/11	Com	100
	~~[illegible]~~	~~700~~
		225

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL FILE COPY DMEA RECEIVED FEB 13 1957		
DATE	INITIALS	CODE
2-13	C	220
		225

224 New Customhouse
Denver 2, Colorado

February 11, 1957

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Keenan Properties), Lawrence County, South Dakota

Reference is made to your letter of December 28, 1956, wherein you outline two courses of action in connection with problems concerned with the subject Contract, on which you request comments and recommendations.

In conjunction with the matter, enclosed are the original and three copies of a joint memorandum report, dated January 17, 1957, from E. N. Harshman, Geologist, Geological Survey, Member of Field Team, Region III, and E. O. Binyon, Mining Engineer, Bureau of Mines.

Relative to course No. 1, from the standpoint of efficiency in obtaining results, the operation has been unsatisfactory from its inception and it is also apparent that the Operator cannot be relied upon to complete the mill work on test pit and churn drill samples as provided for in the Contract. It appears, however, that the operation, if conclusive results of the sampling are desirable, should be carried through, at least to the extent of obtaining analysis of representative samples from such test pits and drill holes as designated by the Government. We do not know how the mill work and analysis could be accomplished as a complete Government operation under the DMEA program or how it could be made certain that the Operator would reimburse the Government for 10% of the costs of concentrating and analyzing the samples.

Relative to Course No. 2, it is the opinion of personnel familiar with the situation that the entire amount of the samples should be milled, as it is deemed impractical to attempt to split the samples, because splits would, in all probability, fail to provide uniformly graded material.

From the results of the work completed under Stage I and the assay results of milling 1-1/4 cu. yds. from the bottom of test pit No. 1 on Beaver Creek, it is the opinion of this office that the expenditure of additional Government funds on the project is not warranted. However, we realize that there are many phases to the situation that must be considered.

The Contract stipulates that the cost of drilling and test pitting includes the mill work of concentrating the excavated material. That fact was inadvertently overlooked and the Operator has been reimbursed for a part of the drilling and test pitting costs without having completed the mill work. An analysis of the payments to the Operator for test pitting and drilling is as follows:

Churn Drilling - 18 Holes
(Maximum allowable unit cost - $5.50/ft.)

348.5 ft. drilled at $5.00/ft.	$ 1,742.50

Test Pit Excavation
(Maximum Allowable per foot $25.00)

Two pits accepted, 25¼ ft. at $25.00/ft.	631.25

(Note - Bear Creek Test Pit No. 1, 6¼ ft. deep was not accepted. Reimbursement to Operator deferred pending completion of processing all material from all test pits and drill holes.)

Yardage of Excavated Material on Hand at the Project to be Processed is as Follows:

Bear Creek

Test Pit No.1	4.2 yds.
Test Pit No. 2	6.9 yds.
9 Churndrill holes	1.6 yds.

Beaver Creek

Test Pit No. 1	16.0 yds. (Approx.)*
9 Churndrill holes	1.4 yds.
Total	30.1 yds.

(*About 1¼ yds. from the bottom of the pit was milled and analyzed.)

A tentative quotation from the Colorado School of Mines Research Foundation, Inc., Golden, Colorado, indicates that the cost of concentrating the samples from the three test pits and eighteen churn drill holes would cost in the neighborhood of $2,500.00.

If it is decided to complete the mill work and analyze the concentrate, it is recommended that consideration be given for the material to be processed at the Intermountain Experiment Station, Bureau of Mines, Salt Lake City, Utah.

The other alternative would be to submit the problem to three independent laboratories qualified to perform the experimental work and request firm bids on the basis of approximately 30 cu. yds. of material to be treated, to be delivered to their plants. We have in mind the following, in addition to the Experimental Plant at the Colorado School of Mines:

1. Denver Equipment Company

2. Humphreys Gold Corporation.

As stated above, the Experimental Plant at the Colorado School of Mines estimates a minimum price of $2,500.00. The Denver Equipment Company, by a telephone contact, estimates the cost of processing the material would run between $3,000.00 and $4,000.00, providing the job comes at a time when their plant can undertake it. The Humphreys Gold Corporation, by telephone contact, estimates the job would cost not less than $8,500.00, added to which must be considered the cost of transporting the material.

W. M. Traver

W. M. Traver

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
DEPARTMENT OF THE INTERIOR
JAN 21 1957
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado

REGION III

January 17, 1957

Memorandum

To: Executive Officer, DMEA Field Team Region III

Through: John F. Shaw, Supervising Mining Engineer

From: E. N. Harshman and E. O. Binyon

Subject: Docket DMEA 654 (Tin, Columbium-Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Keenan Properties) Lawrence County, South Dakota.

From the results of the work completed under stage I and a review of the data submitted in the narrative report accompanying the monthly report for November, 1955--April 1956, as well as, review of the results of stage II work, it is our opinion that the expenditure of government funds in continuing the project is not warranted. It is further recommended that no Certification of a Discovery or Development be issued.

The recommendations are based on the following:

1) Reports by Bureau engineers on the property prior to and following completion of stage I work were adverse.

2) The recently completed work under stage II does not encompass sufficient area (excluding the area on Potatoe and Bear Creek that was included under stage I) to make the results of any value except in arriving at a conclusion as to whether or not additional test pits and churn drill holes should be put down.

3) The assay results of the 1 1/4 cu yd. from Test Pit No. 1, Beaver Creek do not indicate sufficient value in the gravel, especially when the results from Wah Chang Smelting and Refining Co., as to separation of Cb_2O_5-Ta_2O_5 and WO_3 content are considered.

4) As to the recovery: it is not known whether or not the results can be duplicated in the field, and if duplicated, whether or not the cost would permit a commercial economic operation.

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D M E A
RECEIVED FEB 13 195
DATE | INITIALS | CODE

On the basis of stage I yardage and general conditions which would require hauling of at least a part of the gravel to the place of concentration it is believed that the gravel could not be treated profitably.

Other factors that have been considered in recommending shutting down the project are:

1) the inability to check the processing of the gravel under the present contract.

2) the poor supervision by the operator.

3) the difficulty in the administration of the contract.

However, if it is the intent of the Washington office to proceed with the processing of the samples, it is recommended that the procedure as outlined in Item 2 in the letter to Mr. W. M. Traver from Mr. George C. Selfridge dated December 28, 1956, be followed. It is further recommended that the operator also be charged the full cost of the processing of the samples. The full cost is to be charged the operator in as much as the government has already contributed 90 percent of the cost of the processing and sampling as done under stage II without obtaining reliable results.

The Colorado School of Mines Research Foundation, Inc., Golden, Colorado was contacted as to the cost of washing and concentrating twenty-one samples (3 test pits and 18 churn drill) and estimated the cost at between $2,000.00 and $2,500.00. The concern emphatically stated, however, that this was purely an estimate and not a firm bid.

E. O. Binyon
E. O. Binyon
Mining Engineer

E. N. Harshman
E. N. Harshman
Member of Field Team

EOB:jg

cc: 9
DMEA-654--Idm-E58
Chron.

Surname copy

700

F Knouse
Butin
Denger
Selfridge
Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

DEC 28 1956

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Traver:

This is with reference to your memorandum, dated December 6, in which you recommend that appropriate action be taken by this office in obtaining samples from the material excavated from drill holes and test pits on the subject property.

We are considering the following courses of action in connection with this problem:

1. Advise the Operator that, since all parties concerned are interested in completing the processing and analyses of the samples at the earliest possible date, the Government is willing to employ the necessary men and supervise the processing and analytical work done on the samples provided the Operator is willing to pay its proportionate amount of the cost for this work; or

2. Instruct the Operator to arrange to have its representative at the property at a mutually agreeable time so that the Government may obtain a representative split of the samples recovered from the drill holes and test pits for processing and analysing by the Government.

However, before proceeding with either course of action, we would appreciate your comments and recommendations. Also, in this connection, please explore the possibility of having these samples processed and analysed by a reputable laboratory in the area and furnish a detailed estimate of the cost required to do this work.

APPROVED:

Frank D. Lamb (FDL)
Member, Bureau of Mines

N. E. Nelson (NEN)
Member, Geological Survey

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (GCS)

FKnouse/gla 12-26-56
cc to: Admr.'s Reading File
Operating Committee
Docket
A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
DEC 10 1956
D.M.E.A.

224 New Customhouse
Denver 2, Colorado

December 6, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Keenan Properties), Lawrence County, South Dakota

Reference is made to the copy of the Operator's letter of November 6, 1956, forwarded to you by our memorandum of November 9, 1956, pertaining to lack of operations under the subject contract.

Our records indicate that the Operator has failed to pursue the work in the treatment of samples of material from test pits and drill holes, additional time for which was provided for by Amendment No. 15.

Inasmuch as the Operator has consistently failed to pursue the project work in a manner to obtain conclusive end results, therefore we recommend that appropriate action be taken immediately by your office to protect the Government's interest in the work performed in obtaining samples from the test pits and drill holes.

Please advise if you desire further action by this office.

W. M. Traver

W. M. Traver

MF-50

UNITED STA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

REFERENCE SLIP

DATE 12/10

REFERRED TO:

1. ~~700~~
2.
3. Krome
4.

FOR:

..... Action	..... Recommendation
..... Approval	..... Record of .....
..... Comment	..... Referring to .....
..... Conference	..... Reply for signature of .....
..... Consideration	..... Rewriting
..... Filing	..... Signature
..... Instructions	..... Suggestions
..... Investigation	..... Your information
..... Initials	
..... Mailing	
..... Previous correspondence	

REMARKS: Discussed question with Office who will discuss question w/ O. C. Hurley today or tomorrow JHL. 12.12.58

Check (X) before the items needing attention.

C
Initials of sender.

GPO 16—63815-1

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED NOV 13 1956 D.M.E.A.

224 New Customhouse
Denver 2, Colorado

November 9, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

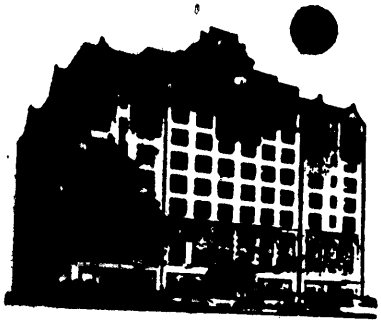
From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten) Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, South Dakota

Enclosed for your information are two copies of a letter dated November 6, 1956 from the subject operator.

W. M. Traver

Enclosures



ALEX JOHNSON HOTEL

RAPID CITY, SOUTH DAKOTA

Gateway to America's Premier Vacation Land

Nov 6 1956

DMEA
DEPARTMENT OF THE INTERIOR
NOV 8 1956
REGION III
DENVER, COLORADO

Mr. W M Traver, Executive Officer
DMEA
Dept of Interior
Denver, Colorado

Dear Mr. Traver:

I called Mr E O Binyon today and found that he was stationed in Denver.

I came out here Oct 24 and have experienced 3 snow storms, the last one a blizzard which snowed 2 people in at Northwest Defense Minerals Inc with 3 feet of snow and it snowed me out of the property.

The early bad weather has upset our plans to such an extent I am not sure we can get 2 pieces of equipment back up to the property and working by Nov. 15 expiration of DMEA contract time. It is snowing again here and I am endeavoring to return to Spearfish & get a snow plow to make the roads open to return in there. I have advised both you and Mr Wm Ellis of these adverse conditions.

Yours very truly
Northwest Defense Minerals, Inc.
Leon Keenan Pres.

Address Spearfish S.D.

VISIT MT. RUSHMORE MEMORIAL — GRAVITY PARKING

WONDER HOTEL OF THE GREAT BLACK HILLS COUNTRY

RESIDENCE OF PRESIDENTS

ALEX JOHNSON HOTEL

RAPID CITY, SOUTH DAKOTA

Gateway to America's Premier Vacation Land

RECEIVED NOV 8 1956

Nov 6 1956

Mr. Ernest Wm Ellis Chief
Rare & Miscellaneous Metals & Minerals
OMEA
Dept of Interior
Washington, DC

654

Dear Mr. Ellis:

I came out to So Dak. Oct 24 and have been through 3 snow storms, the last one a blizzard which snowed 2 people in at the Northwest Defense Minerals Inc and snowed me out, I could not even get to Spearfish.

The early bad weather has disrupted our plans to such an extent I am not sure that we can get 2 pieces of equipment back up to the property & working by Nov 15 expiration of OMEA contract time. It is snowing again here to-day, the 4th storm and I am endeavoring to get snow plows ahead of my trip in there.

WONDER HOTEL OF THE GREAT[illegible]CK HILLS COUNTRY

RESIDENCE OF PRESIDENTS

ALEX JOHNSON HOTEL

RAPID CITY, SOUTH DAKOTA

Gateway to America's Premier Vacation Land

I feel you should be advised of these adverse conditions.

Yours very truly
Northwest Degerus Minerals Inc.
Piggy Keenan, President

Address Superior Hotel

Cus

Surname copy

F.L. Knouse
Ellis
Chambers
Selfridge
Mittenbergf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OCT - 5 1956

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
2th New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idu-858
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Traver:

There are enclosed the executed Field Team and Finance Office copies of Amendment No. 15 to the subject contract. This amendment extends the completion date of the proposed work until November 15, 1956.

Also enclosed are two copies of Miss Keenan's letter, dated September 27, 1956, giving a change of address for the New York office of the Corporation.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

O. M. Bishop (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

FLKnouse/gla
10-8-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H.Kiilsgaard, Rm. 5224
Code 700
Mr.Knouse

R.C.S.

31

RECEIVED
OCT - 1956

NORTHWEST DEFENSE MINERALS, INC.

Spearfish, South Dakota

September 27,1956

Mr. C.O. Mittendorf, Administrator,
Defense Minerals Exploration Administration
Department of the Interior,
Washington, D.C.

Dear Mr. Mittendorf:

Your letter of September 20, 1956 received, with copies enclosed of Amendment No. 15.

We are returning the copies properly signed and sealed with the Corporation seal.

Please be advised that the New York address of our Corporation has been changed to 150, East 39th, Street.

Please accept my sincere thanks to you and your associated executives for the many courtesies extended to me and to the Corporation through the years.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

PK/sf

Peggy Keenan, President.

Surname copy

700

F I Knouse
Ellis
Chambers
Jogg
Kulsgaard
Selfridge
F E Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

SEP 20 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

As requested in your letters, dated August 23 and September 8, 1956, there are enclosed the original and five copies of Amendment No. 15, executed by the undersigned for the Government, which extends the completion date of the subject project until November 15, 1956.

If this amendment is satisfactory, please sign the original and all copies, retain the copy marked "Operator's Copy," and return the original and remaining copies.

In the event that any part of this amendment does not meet with your approval, the original and all copies are to be returned with your suggested changes for consideration.

Sincerely yours,

Administrator

Enclosures

FIKnouse/gla 9-19-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm.3624
T.H.Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
DMEA Field Team, Region III (2)

R.C.B.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
SEP 14 1956

224 New Customhouse
Denver 2, Colorado

September 12, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin, Columbium-Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

Enclosed are the Government's, Division, and Docket copies of Amendment No. 14 to the subject contract, Idm-E58, which were forwarded by your letter of July 9, 1956 for execution by the Operator.

Copies of the Amendment have been supplied to the Operator, Region III Finance Office, and distributed to the other regional offices concerned.

W. M. Traver

W. M. Traver

Enclosures

Surname copy

700

F L Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-858
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

This will acknowledge receipt of your letter, dated September 8, 1956, in which you repeat your request of August 23 for an extension of time until November 15, 1956, within which to complete the project work.

We are processing an amendment to allow the extension of time requested. However, we wish to stress the importance of starting the processing of the samples you have collected at the earliest possible date and completing said processing and chemical analytical work thereon within the time you have requested to complete the project work.

We are unable to understand your statement that "The Corporation has been waiting decisions of the DMEA and has not processed any samples since November 20, 1955." Amendment No. 13, executed June 14, 1956, allowed until October 1, 1956, to complete the project work, and Amendment No. 14 was transmitted to you for execution by our Denver Office on July 12, 1956. In addition, a letter was written to you, dated July 27, by our Denver Office in reply to your July 20, 1956, letter, which explained the conditions of Amendment No. 14 relative to the analyses of samples recovered from drill holes and test pits at 6-foot intervals.

Sincerely yours,

Frank E. Johnson
(typed)
ACTING Administrator

FLKnouse/gla
9-12-56
cc to: Admr.'s Reading File
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
DMEA Field Team, Region III (2), w/2cc Miss Keenan's letter Sept. 8, 1956

R.G.

urname copy

F L Knouse 700
Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

September 12, 1956

Memorandum

To: Associate Solicitor,
Division of Mineral Resources

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Amendment No. 15
Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-358
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Please prepare Amendment No. 15 for the subject contract which extends the period of time from October 1, 1956, to November 15, 1956, within which to complete the project work, as is set forth in Amendment No. 13.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the allowable maximum cost of any item of work, or the agreed unit cost of any item of work.

Ernest Wm. Ellis

FLKnouse/gla
cc to: Docket
Code 700
Mr. Knouse

NORTHWEST DEFENSE MINERALS, INC.
118 East 40th Street
New York City

9/11

RECEIVED
SEP 10 1956

September 8, 1956

Mr. Frank E. Johnson
Acting Administrator
DMEA
Department of Interior
Washington, D.C.

Re: Docket DMEA 654X
(Tin, Columbium-Tantalum, Tungsten)
Contract Idm-E58
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota

Dear Mr. Johnson:

Your letter of August 31, 1956 received.

The Corporation has been waiting decisions of the DMEA and has not processed any samples since November 20, 1955.

Amendment No. 14 has been executed and sent to Mr. Traver.

We are awaiting your decision regarding an extension of time within which to complete the project work.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Jack Keenan, President

P. Keenan
President

PK/pm

700

FILE COPY

Surname:
Knouse
Ellis
Talbot
Selbridge

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York, N. Y.

AUG 31 1956

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-658
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

This is with reference to your letter of August 23, 1956, addressed to Mr. Ernest Wm. Ellis in which you requested (1) an extension of time within which to complete the project work from October 1, to November 15, 1956, and (2) an amendment to the contract wherein the Government would contribute to the cost for chemical analyses (for tin-columbium-tantalum and tungsten) of each sample concentrate recovered from each six-foot interval of drill hole or test pit.

In connection with your request under the above item (1), we are interested to learn what samples have been processed from the drill holes and test pits since Amendment No. 13 was executed, and also the time period when the work was done.

With reference to your request under the above item (2), proposed Amendment No. 14 restates the sampling and analytical procedure set forth in Exhibit "A," "General Conditions," pages 2 and 3 of Amendment No. 3. However, we have carefully considered your proposal and feel that one sample analysis of the combined concentrates recovered from each drill hole and each test pit, as is described in Amendment No. 14, should furnish ample information for the purpose of this exploration project. If your company desires more detailed information concerning horizons of mineral concentration, such data may be obtained by concentrating the samples at the intervals desired, then analyzing a fraction of said sample (at the expense of your company) as is agreeable to the Field Team and recombining the concentrates for sample analysis as is required under the terms of the contract.

Upon receipt of the requested information relating to extending the period of time within which to complete the project work, we will advise you of our decision.

FLKnouse/izm 8-29-56
cc to: Docket
Code 700
Mr. Knouse
Admr.'s Reading File
DMEA Field Team, Reg. III (2)
Messrs. Renick, Rm. 3624
Kiilsgaard, Rm. 5224

Sincerely yours,

Frank E. Johnson

ACTING Administrator

8/28/56

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

RECEIVED AUG 23 1956

August 23, 1956

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals and Minerals
Defense Minerals Exploration Administration
Department of Interior
Washington, D.C.

118 E. 40th St.
New York City

Re: Contract DMEA Idm E-58, Docket 654X

Dear Mr. Ellis:

In 1955, when the Northwest Defense Minerals, Inc. prepared for Phase II work, the Corporation outlined that the deep gravels in Beaver Creek and Lower Bear Creek would be excavated and kept separate in 6 foot intervals. This was done and part of the separated gravels were stored due to freeze-up. In the 1955 reports 1, 2 and 3, signed by R. M. Atwater, Jr., engineer, this proceedure was clearly set forth and approved at all times by Mr. E. O. Binyon, DMEA engineer field team III.

In July, 1956, the Corporation received Amendment 14 sent from Mr. W. M. Traver's Denver DMEA office which set forth that only composit samples on 18 drill holes and 2 test pits were to be processed and assayed.

On July 20, 1956 the Corporation wrote to Mr. Traver requesting permission to run each 6 foot interval sample separately, with reimbursable allowance for assay for each sample. This was requested because of the necessity of knowing the overburden horizon. On July 27, 1956 Mr. Traver gave permission to run each 6 foot interval separately, but denied the Government participation in the analysis costs.

The Northwest Defense Minerals, Inc. requests an amendment to Amendment No. 14 and to the original Amendment for Phase II and costs, allowing reimbursable funds for assay for each 6 foot interval sample out of "Contingency".

The Corporation requests an extension of time on Amendment No. 13 to Nov. 15, 1956. The Corporation cannot finish processing in the Oct. 1 time set forth.

We are grateful to you for your many courtesies.

Very truly yours,
NORTHWEST DEFENSE MINERALS, INC.
Peggy Keenan, President

Peggy Keenan, President

PK/pm

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

August 21, 1956

RECEIVED
AUG 23 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York, N. Y.

Re: Docket DMEA 654X
(Tin, Columbium-Tantalum, Tungsten)
Contract Idm-858
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota

Dear Miss Keenan:

In compliance with your request of August 20, 1956, we are enclosing a copy of our letter to you of July 27, 1956, pertaining to chemical analysis of concentrates obtained from material excavated from drill holes and test pits.

Apparently you have not resumed work in processing the material excavated from drill holes and test pits. Neither have you returned executed copies of Amendment No. 14, which were forwarded to you by our letter of July 12, 1956.

Your attention is directed to the provision of Amendment No. 13 which provides that all of the processing work must be completed by October 1, 1956. Otherwise you are in default under the terms of the contract.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JWT:prl
cc: Chairman, Op. Comm. (2)
Harshman
Shaw (2)
Townsend
Corres. file
) w/copy of enclosure and copy of Operator's letter of August 20.

Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

COPY

224 New Customhouse
Denver 2, Colorado

July 27, 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York, N. Y.

RECEIVED
AUG 23 1956

Re: Docket DMEA 654X
(Tin, Columbium-Tantalum, Tungsten)
Contract Idm-858
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of July 20, 1956 regarding the provisions of Amendment No. 14 pertaining to the analysis of concentrates obtained from processing material excavated from drill holes and test pits.

The proposed Amendment stipulates that all concentrates obtained from processing the material from each drill hole or test pit will be combined into one sample for analysis purpose.

The stipulation was imposed by the Washington Office, DMEA, when the Amendment was prepared, as it was felt that analysis on that basis should furnish ample information for the purpose of the exploration project. However, if you desire more detailed information concerning horizons of mineral concentration, we do not object to your concentrating the material by sampling intervals to obtain the desired information. But under the terms of the proposed Amendment, the Government will not contribute to the costs of analysis of but one sample for each drill hole or test pit. Therefore your request for Government participation in the costs of the additional analysis is denied.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

MT comply + [illegible] letter
x DBC

Aug 20 56

Memo to Mr. Traver:

Somehow a new file girl has misplaced your last letter to Northwest Defense Minerals Inc denying request for reimbursed assay funds on 6 food horizons.

The letter remains unanswered, so will you please send copy of your letter so that we may present it to our Board of Directors?

Yours very truly
N DMInc
P. Keenan Pres.

DME
Date Rec'd
AUG 21 1956
BUREAU OF MINES
Denver, Colorado

RECEIVED
AUG 23 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUL 30 1956

224 New Customhouse
Denver 2, Colorado

July 27, 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York, N. Y.

Re: Docket DMEA 654X
(Tin, Columbium-Tantalum, Tungsten)
Contract I&m-E58
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of July 20, 1956 regarding the provisions of Amendment No. 14 pertaining to the analysis of concentrates obtained from processing material excavated from drill holes and test pits.

The proposed Amendment stipulates that all concentrates obtained from processing the material from each drill hole or test pit will be combined into one sample for analysis purpose.

The stipulation was imposed by the Washington Office, DMEA, when the Amendment was prepared, as it was felt that analysis on that basis should furnish ample information for the purpose of the exploration project. However, if you desire more detailed information concerning horizons of mineral concentration, we do not object to your concentrating the material by sampling intervals to obtain the desired information. But under the terms of the proposed Amendment, the Government will not contribute to the costs of analysis of but one sample for each drill hole or test pit. Therefore your request for Government participation in the costs of the additional analysis is denied.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JWT:prl

cc: Chairman, Oper. Comm. (2)) w/
Harshman) copy of
Shaw) Operator's letter
Townsend
Corres. file
Chron.

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

July 20, 1956

DMEA Date Rec'd. JUL 26 1956

BUREAU OF MINES Denver, Colorado

Mr. W. M. Traver, Executive Officer
DMEA
Department of Interior
224 New Customhouse Bldg.
Denver, Colorado

118 E. 40th Street
New York City

RECEIVED JUL 30 1956

Dear Mr. Traver:

With reference to the receipt of Amendment No. 14 DMEA 654X and your letter of transmittal dated July 12, 1956:

In the event the amendment was accepted and signed, it is the understanding of the Corporation that the assay cost would only be allowed on the composite sample of each of 18 churn drill hole samples and on the composite sample of each of 2 test pit samples, the assay cost to include tin, columbium-tantalum and tungsten. The gold would be panned out separately and reported.

With reference to R.M. Atwater's Progress reports, September to November 21, 1955, the sludge from the churn drill holes was stored in drums and each 6 feet of excavated material was marked and sealed before storing in the NDM Inc. mill. The excavated gravel from the test pits was stored in bins separately and each bin contained material from 6 feet of gravel and was clearly marked.

With reference to the processing of the creek gravel bed materials concerned with Phase 2, (reports 1, 2, 3), the Corp. feels that since considerable ~~the~~ time and money has been expended on storing the 6 foot interval materials separately, that each 6 foot material should be processed separately to determine where the values in the gravels begin and how much gravel is barren overburden. This is in keeping with placer engineering practices and is in preparation for production. Since President Eisenhower has signed Senate Bill 3982, and since NDM Inc. has gravel reserves containing columbium-tantalum and tungsten (metals which are included in S 3982), the Corporation requests permission to run the 6 foot interval samples separately and requests allowance for assay for each sample.

With reference to costs of processing the stored excavated gravels, based upon costs in 1955, we estimate at least 2 weeks labor time will be involved in mill processing:

Labor	$ 531.98 *
Corporation engineer 10 days	500.00
Engineer travel from Colorado	200.00
Engineer Hotel expense	84.00
Meals (estimated) for labor	140.00
Gasoline and Miscellaneous	50.00
	$1505.98

Note: * The $531.98 may include an expert gold panner.

The Corporation has expended a large fund in 1955 already disallowed. We request that the contingency fund be allowed for the processing of the 6 foot interval gravels and for panning and assaying.

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

Peggy Keenan, President

PK/pm

Copy to Mr. F.L. Knouse DMEA Washington, D.C.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUL 23 1956

224 New Customhouse
Denver 2, Colorado

July 20, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

In our teletype to you of June 25, 1956, we advised that sampling interval of material from drill holes and test pits excavated under the subject contract would be forwarded to you as soon as conclusive information was obtained.

In conjunction therewith and supplementing information forwarded to you concerning Amendment No. 14 to the Contract, we are enclosing four sets of data consisting of the following:

1. Memorandum dated July 9, 1956, from E. O. Binyon, Mining Engineer, Bureau of Mines, wherein he gives the sampling interval for the eighteen churn drill holes.

2. Memorandum dated July 9, 1956, from E. O. Binyon, wherein he comments on the invervals on which samples were taken in the drill holes and test pits.

3. Memorandum dated July 18, 1956, from E. O. Binyon, supplementing his memorandum of July 9 under item 2, and wherein he comments on sampling and analysis procedures.

The material is forwarded for your general information and in further support of Amendment No. 14.

for W. M. Traver

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED
JUL 23 1956

DMEA
Date Rec'd.
JUL 10 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 9, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: E. O. Binyon

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-E58, Northwest Defense Minerals, Inc.
(Rawlins Mining District) Lawrence County, S. Dak.
Churn Drill Hole Depths

The depths of the churn drill holes completed under the subject contract on Bear and Beaver Creek are as follows:

Bear Creek	
Hole No.	Depth
1	21
2	23
3	26.5
4	22
5	22
6	30
7	8
8	20
9	15
	187.5

Beaver Creek	
Hole No.	Depth
1	18
2	19
3	19
4	19
5	16
6	16
7	20
8	17
9	17
	161

E. O. Binyon
Mining Engineer

EOB/mw
Idm-E58
Chron

RECEIVED
JUL 23 1956

DMEA
Date Rec'd.
JUL 10 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 9, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: E. O. Binyon

Subject: Docket DMEA 654X (Tin-Columbium-Tantalum-Tungsten) Contract 18m-198, Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, S. Dak. -- Sample Intervals in churn drill holes and test pits on Bear and Beaver Creeks

The sample interval used for the 18 churn drill holes drilled to date, 9 in the 7B Flats Area on Bear Creek and 9 on Beaver Creek was 6 feet except for the last run in a hole, this being whatever footage might be included in the run. If the depth of a hole was 16 feet then three separate samples for depths 0 - 6 ft., and 6 - 12 ft., and 12 - 16 ft. were taken. In this instance the last sample represents a depth of 4 feet.

All churn drill hole samples are stored in drums on the property. Volume of churn drill samples (348.5 feet of 6 5/8" diameter hole) is 83.3 cu. ft. or 3.08 cu. yds.

For Test Pit No. 1 on Bear Creek the sample is separated into two samples, the first being for 0 to 6 feet and the second for 6 to 6½ feet. The samples from Test Pit No. 2 on Bear Creek represent depths 0 to 6 feet and 6 to 7 feet. As measured in the storage bins, the volume of material from Test Pit No. 1 is 4.19 cu. yds. and from Test Pit No. 2 is 7.00 cu. yds.

It was reported that the material excavated from Beaver Creek Test Pit No. 1 is stored as three separate samples representing depths 0 - 6 ft., 6 - 12 ft., and 12 - 18½ ft. However, that part of the third sample from approximately 16½ to 18½ or the bottom 2 feet consisting of 1.25 cu. yds. by volume was when excavated, hauled and kept separate from the material from the upper 4 feet (approximately). This 1.25 cu. yds. was the first and only part of the gravel from the 12 - 18½ feet run to be washed and concentrated. The concentrates of several products obtained from the run of the pilot mill test were analyzed.

Concentration and analyses of concentrates of only 1.25 cu. yds. of the total material from the 12 - 18½ ft. sample has resulted in splitting of this sample into two separate samples, if the gravel in any future test is to be washed and concentrated as a sample of a depth of 6 feet or of the entire depth, then the results obtained must be combined on the basis of volume with the results that are obtained from future test work.

In all, a total of approximately 31 cu. yds. of samples from all test pits and churn drill holes; 28 cu. yds. of test pit samples and 3 cu. yds. from churn drill holes are stored and are yet to be washed and concentrated.

E O Binyon

E. O. Binyon
Mining Engineer

EOB/mw
Idm-R38
Chron
cc: 9

RECEIVED
JUL 23 1956

DMEA
Date Rec'd.
JUL 20 1956
BUREAU OF MINES
Denver, Colorado

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 18, 1956

Memorandum

To: Executive Officer, DMEA Field Team, Region III

Through: John F. Shaw
Supervising Mining Engineer

From: E. O. Binyon

Subject: Docket DMEA 634X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-458, Northwest Defense Minerals, Inc.
(Rawlins Mining District) Lawrence County, S. Dak.

1. Interval sampling of churn drill holes and test pits.
2. Washing and concentration test on a part of a sample from the bottom of Test Pit No. 1 on Beaver Creek.
3. Analyses of several concentrate products from the washing and concentration test.

Subject Item 1 - Interval sampling of churn drill holes

On October 3, 1955, when I visited the project to observe the start of the churn drilling under stage II on Bear Creek, the purpose of the work of the project in general and the sampling procedure in particular were discussed with Miss Peggy Keenon. In this discussion, I mentioned to Miss Keenon (the engineer had not arrived) that it might be advisable to take samples of the churn drill holes and test pits at regular intervals in order to determine more accurately the depth at which the gravel might contain sufficient recoverable values to be of a workable grade. Also, I mentioned that the sampling procedure was the responsibility of her supervising engineer who, reportedly was experienced in sampling placers.

This is the only time the subject was discussed or mentioned to either Miss Keenon or the engineer and no direct order, orally or in writing, was given to take the samples at intervals. However, as the subject did not come up again during the life of the project and the claims by the operator for payment for this part of the work were approved by me it can only be concluded that the suggestion could have been considered by the operator as an order and that the responsibility for sampling the holes and pits at intervals is mine.

Subject Item 2 - Washing and Concentration test on a part of a sample from the bottom of Test Pit No. 1 on Beaver Creek

I did not observe the excavation, handling and storing of the samples from the pit; on Beaver Creek, and the following is based in part on what the operator stated and on assumption.

In excavating the pit the gravel was loaded either directly to the pick-up or piled on a platform until a truck load was available, and it was then hauled to the mill building and stored in bins, the material for each sample interval being stored separately. It is assumed that the 1.25 cu. yds. from the bottom 2 feet of the 12-18½ feet sample interval was hauled separately to the mill and as it was the last of the material from the pit it was placed or stored so that it would be put through the washing and concentration process first. Whether or not the operator intended to wash and concentrate only the bottom 1.25 cu. yds. is not known. However, it is assumed that this is not the case but that weather conditions with inadequate heating facilities and to some extent the inadequate equipment forced the shut down, before all of the 12-18½ feet sample could be run. It might be mentioned that the statement by Miss Peggy Keenan that I ordered the shut down of the washing and concentration test is definitely a misstatement of fact. I did not know the test work had been stopped until the caretaker at the property informed me in the presence of S. M. Burke on Nov. 21 that the work had been shut down Nov. 17 (being in operation only 1 and ½ days from noon Nov. 15 until Nov. 17) and that Miss Keenan had left with the engineer Nov. 19 or 20.

Although I had no way of knowing that the operator would test only 1.25 cu. yds of gravel or a part of a sample, the fact that I approved a part of the operator's claim for payment for the work puts the responsibility for permitting the test of only a part of the sample from the 12-18½ feet sample of test pit on Beaver Creek on me.

Subject Item 3 - Analyses of several concentrate products from the washing and concentration test on a part of a sample from Beaver Creek Test Pit No. 1

In discussing the washing and concentration tests with the operator and the engineer I mentioned that since the purpose of the test work apparently was to determine the most efficient flow sheet as well as to obtain a concentrate from which the value of the gravel could be determined, it might be advisable to have analyses and sizing tests of the various products from the jig and Humphrey spiral, I also mentioned that the engineer should know what analyses would be necessary in order to obtain complete information on the test work and value of the gravel. I gave no order, either verbally or in writing, to have any analyses made. The contract allows $2,225.00 for analytical work and as I assumed the information obtained from the analyses of the various products was of value in determining the efficiency of the flow sheet, I approved payment of the operator's claim for the microscopic and chemical analyses.

In regard to continuation of the washing and concentration test by the operator on the churn drill hole and test pit samples, I am of the opinion that it would be to the advantage of the Government as well as to the operator to amend the contract so as to permit the testing of the remaining samples by some reliable firm, such as Denver Equipment or Galagher or any firm that is mutually acceptable. This I believe would eliminate any doubt as to the results and also could probably be done at less cost.

E O Binyon

E. O. Binyon
Mining Engineer

EOB/mv
Idm-E58
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUL 13 1956

224 New Customhouse
Denver 2, Colorado

CERTIFIED MAIL

July 12, 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York, N. Y.

Re: Docket DMEA 654X
(Tin, Columbium-tantalum, Tungsten)
Contract Idm-N58
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota

Dear Miss Keenan:

Enclosed are the Government's, Division, Docket, Finance Office, and Field Team copies of proposed Amendment No. 14 to Contract Idm-N58, which has been prepared to confirm an understanding relative to separate analysis of the concentrate products from jig and spiral in processing the material excavated from the bottom approximately 2 feet of Test Pit No. 1 on Beaver Creek.

Your attention is directed to the provision in the Amendment that concentrates from the entire material excavated from each test pit or drill hole will be combined into one sample for analytical purpose rather than to make a separate analysis of the concentrate from the material obtained from each sampling interval, or separate analysis of each of the jig or spiral products as was the case for the bottom 2 feet of material from Test Pit No. 1.

If the Amendment is satisfactory to you, all copies are to be signed by you, your title inserted, the corporate seal affixed, and all copies of the Amendment promptly returned to this office.

Upon return of the properly executed copies of the Amendment, the "Operator's Copy" will be forwarded to you.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures
JWT:prl
cc: Chairman, Oper. Comm. (2)
Harshman
Shaw (2)
Townsend
Corres. file Chron.

700

FILE C

Supume

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUL 9 - 1956

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region XII
7th New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Ida-858
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Traver:

As recommended in your teletype of June 25, 1956, there are enclosed for execution the original and five copies, with two extra copies, of Amendment No. 14 to the subject contract, signed by the Administrator.

You will note that the amendment provides for the payment for the six chemical analyses, six assays for gold, and extra copies of analytical reports that were not provided for in the contract. However, the subject amendment provides for only one chemical analysis of a combined concentrate recovered from the remaining material excavated from test pit No. 1 on Beaver Creek and from each other test pit or drill hole. We feel that such concentrate analyses should furnish ample information for the purpose of this exploration project. However, as suggested in your teletype, if the Field Team and Operator desire more detailed information concerning horizons of mineral concentration, such data may be obtained in the field by weighing the concentrates recovered from the drill hole or test pit interval desired, and separating the gold therefrom; then recombining the concentrate for the required analysis.

If the terms and conditions of the proposed amendment meet with your approval and the Operator's, please have the original and five copies signed by the Operator and make the usual distribution of the document.

In the event that any part of the proposed amendment does not meet with your approval or the Operator's and cannot be amended within your delegated authority, the original and all copies are to be returned with the proposed changes for consideration.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

APPROVED:

/s/ Robert W. Geehan (2/B)

Member, Bureau of Mines

Thor H. Kiilsgaard (2/B)

Member, Geological Survey

FLKnouse/ai
7-6-56

cc to: Docket
Admr. Reading File
Operating Comm.

Messrs. ARenick, Rm. 3624
THKiilsgaard, Rm. 5224
Code 700
Mr. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 28, 1956

Memorandum

To: File

From: Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-654
(Tin, columbium, tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Justification - Amendment No. 14.

(Reference is made to teletype from W. M. Traver, dated June 6, 1956)

Six chemical analyses for tin, columbium-tantalum and tungsten, and six assays for gold were made on concentrate fractions recovered from about 1½ cu. yards of material excavated from the bottom (on bedrock) in Test Pit No. 1 on Beaver Creek. The analyses of the six samples were not provided for under the terms of the contract. The examining engineer authorized the Operator to have these analyses made as such information would be beneficial to the project. The Executive Officer recommends that an amendment to the contract be executed which allows the cost of these analyses as a part of the project work. This division concurs with the recommendation of the Executive Officer of Region III that an amendment be executed which allows the cost of these analyses as a part of the project work.

Ernest Wm. Ellis

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FLKnouse:ai
6-28-56
cc to: Docket (Orig)
700
Mr. Knouse

Mr. George Selfridge

BUR MINES DN 235 6-25-56 4-40 PM

RECEIVED
JUN 26 1956

CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT JUNE 18, DMEA 654, CONTRACT IDM-E58, NORTHWEST DEFENSE MINERALS, INC., SAMPLING AND ANALYTICAL PROCEDURE.

EXAMINING ENGINEER APPARENTLY AUTHORIZED SPLIT ANALYSES OF SAMPLES ACCORDING TO HIS INTERPRETATION OF TEXXX THE CONTRACT. UNDER THE IXXXX CIRCUMSTANCES, WE RECOMMEND THAT AN AMENDMENT BE PREPARED AUTHORIZING THE DISPUTED ANALYSES FOR THE TWO-FOOT BOTTOM SAMPLE FROM NO.1 TEST PIT ON BEAVER CREEK. ALL OTHER CONCENTRATES TO BE ANALYZED ON A COMBINED BASIS UNLESS THE CONTRACT IS FURTHER AMENDED. WE ARE PROCESSING VOUCHER FOR REIMBURSEMENT TO OPERATOR AS PREVIOUSLY CONCURRED IN BY YOU WITH THE ASSUMPTION THAT AN AMENDMENT AUTHORIZING THE DISPUTED ANALYSIS WILL BE PREPARED.

SAMPLES HAVE BEEN SAVED SEPARATELY BY INTERVALS IN EACH OF THE DRILL HOLES AND TEST PITS. SAMPLING INTERVAL ON ALL WILL BE FORWARDED TO YOU AS SOON AS CONCLUSIVE INFORMATION IS OBTAINED. IT APPEARS FROM PRACTICAL STANDPOINT THAT COMBINED CONCENTRATES OF EACH SAMPLING INTERVAL SHOULD BE ANALYZED SEPARATELY INSTEAD OF THE COMBINED CONCENTRATES FROM THE ENTIRE EXCAVATED MATERIAL OF EACH SEPARATE DRILL HOLE AND TEST PIT AS PRESENTLY STIPULATED IN THE CONTRACT, HOWEVER, THAT MATTER CAN BE RESOLVED LATER IF YOU DEEM SPLIT SAMPLING DESIRABLE.

W M TRAVER

Denver, Colo.

JUN 26 9 32 AM '56

BUREAU OF MINES
MAIL ROOM
WASHINGTON D C.

Surname copy

J L Kupper
Ellis
Martin
F E Johnson
Mattenberg

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

AIR MAIL

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

JUN 20 1956

Re: Docket No. DMEA-154
(Tin, columbium, tantalum, tungsten)
Contract No. Idm-158
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Traver:

As recommended in your memorandum of June 1, 1956, there are enclosed the executed "Field Team" and "Finance Office" copies of Amendment No. 13 to the subject contract.

Please note as you and Mr. Knouse agreed in your telephone discussion of June 12, this amendment was sent direct to the Operator for execution instead of the usual procedure of routing such documents through your office.

Sincerely yours,

W. S. Martin
ACTING Chairman, Operating Committee (WS)

Enclosures

APPROVED:

P. F. Yopes (WS)
Member, Bureau of Mines

Thor H. Kiilsgaard (WS)
Member, Geological Survey

FLKnouse/ai 6/19/56
cc to: Docket
Code 700
Admr. Reading File
Operating Comm.
Messrs. ARemick, Rm. 3624
THKiilsgaard, Rm. 5224
Mr. Knouse

P.S. Also enclosed are two extra copies of the amendment for use of the Field Team.

R.C.S.

FILE COPY
Surname:
700 name
File
Kilsgaard
Yorke
Martin
Chambers
Rubin
Knouse
Mathews

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR

JUN 18 1956

DMEA
14X1401(01) Revolving Fund,
Defense Production Act,
Interior (Allocated Working Fund to the
Office of the Secy.)

Mr. Rubin
Mr. Knouse

T E L E T Y P E

W. M. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

Confirmation to Region III
Messrs. A. Renick, Rm. 3624
THKilsgaard, Rm. 5224
Mr. Chambers

REFERENCE JUNE 12 DMEA-654 NORTHWEST DEFENSE MINERALS, INC. SAMPLING AND ANALYTICAL PROCEDURE. AMENDMENT NO. 3 REQUIRES AN ANALYSIS OF THE CONCENTRATE RECOVERED FROM EACH DRILL HOLE AND TEST PIT COMPLETED FOR TIN, TUNGSTEN, TANTALUM AND COLUMBIUM. LATER AMENDMENTS AUTHORIZING CHANGES IN METHOD OF RECOVERING CONCENTRATES DID NOT CHANGE IN ANY WAY THE REQUIREMENTS FOR ANALYSES. THEREFORE, THE ANALYTICAL WORK DESCRIBED AND APPROVED IN SIMYON'S MEMORANDA, DATED MAY 10 AND 11, TO YOU AND IN YOUR MEMORANDUM OF JUNE 12 TO THE OPERATING COMMITTEE ARE NOT IN ACCORDANCE WITH THE INTENT OF THE CONTRACT. OPERATOR INFORMS US OVER PHONE THAT SIMYON AUTHORIZED THE ANALYTICAL WORK LISTED IN THE ABOVE-DESCRIBED MEMOS. THE ACCURACY OF THE OPERATOR'S STATEMENTS SHOULD BE VERIFIED AND THE OPERATOR SHOULD BE INFORMED OF THE REQUIREMENTS OF THE CONTRACT CONCERNING ANALYTICAL WORK AS DISCUSSED IN TELEPHONE CONVERSATION WITH KNOUSE ON JUNE 12. IF ~~ADDITIONAL~~ DISPUTED ANALYSES ARE NECESSARY AS PART OF PROJECT WORK PLEASE FURNISH A JUSTIFICATION SO THE NECESSARY AMENDMENT CAN BE PREPARED HERE.

R.C.R.

ACTING W. S. Martin
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/MFRubin/gla/izm (6-15-56) 6-18-56
cc to: Docket
Code 700
Admr.'s Reading File
Operating Committee

Surname copy

Department of the Interior

DMEA

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.

14X14.01(01) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to the Office of the Secy.)

T E L E T Y P E

W. N. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Reference June 12 DMEA-654 Northwest Defense Minerals, Inc. sampling and analytical procedure. Amendment No. 3 requires an analysis of the concentrate recovered from each drill hole and test pit completed for tin, tungsten, tantalum and columbium. Later amendments authorizing changes in method of recovering concentrates did not change in any way the requirements forcanalyses. Therefore, the analytical work described and approved in Binyon's memoranda, dated May 10 and 11, to you and in your memorandum of June 12 to the Operating Committee are not in accordance with the intent of the contract. Operator informs us over phone that Binyon authorized the analytical work listed in the above-described memos. The accuracy of the Operator's statements should be verified and the Operator should be informed of the real requirements of the contract concerning analytical work.

Chairman, Operating Committee

FLKnouse/HFRubin/gla
6-15-56

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
Mr. Chambers
Mr. Rubin
Confirmation to Region III

Surname copy

DEPARTMENT OF THE INTERIOR

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.

DMEA F L Knouse

14X4.01(01) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to the Office of the Secy.)

Ellis Chambers

T E L E T Y P E

W. M. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REFERENCE JUNE 12 DMEA-654 NORTHWEST DEFENSE MINERALS, INC. SAMPLING AND ANALYTICAL PROCEDURE. AMENDMENT NO. 3 AUTHORIZES AN ANALYSIS OF THE CONCENTRATE RECOVERED FROM EACH COMPLETED DRILL HOLE AND TEST PIT FOR TIN, TUNGSTEN, TANTALUM AND COLUMBIUM BY A GOVERNMENT APPROVED LABORATORY. ACCORDINGLY, ANALYTICAL PROCEDURE DOES NOT COMPLY WITH TERMS OF CONTRACT. HOWEVER, OPERATOR ADVISES MR. BINYON AUTHORIZED YOUR LISTED ANALYSES WHICH HE APPROVED FOR PAYMENT IN HIS MEMORANDA DATED MAY 10 AND 11, 1956. YOU SHOULD DETERMINE IF OPERATOR'S STATEMENT IS CORRECT AND INSTRUCT BINYON TO ADVISE OPERATOR TO COMPLY WITH TERMS OF AMENDMENT NO. 3.

CHAIRMAN, OPERATING COMMITTEE

FLKnouse/gla
6-15-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
Mr. Chambers
Confirmation to Region III

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 18, 1956

To: File

From: F. L. Knouse

Subject: Docket No. DMEA 654
(Tin columbium-tantalum tungsten)
Contract No. Idm-E58
Northwest Defense Minerals , Inc.
Lawrence County, South Dakot

Supplement to Memorandum dated May ~~13~~ 31, 1956
N. Y. C. Telephone call from Miss Keenan, President.

Miss Keenan: I have submitted copies of all the invoice for work done including the cost for the sample analyses, and am unable to understand why these funds cannot be released.

Knouse: Mr. Traver will ~~receive~~ require an extension of time to allow the work done after January 1, 1956, before he can release funds for work done after that date. As I understand the report on the analytical work done, analyses were made of various concentrate fractions recovered from about $1\frac{1}{4}$ yards of gravel excavated on the bedrock or bottom of a test pit.

Miss Keenan: Yes, that is correct.

Knouse: The contract provides for only analysis for tin, columbium-tantalum, tungsten of a combined concentrate from each completed drill hole or test pit.

Miss Keenan: The analyses were made at the request of Mr. Binyon, the Bureau of Mines supervising engineer, and he authorizes this work, and the Government should pay their share of the cost.

Knouse: That question will have to be handled through Mr. Traver.

F L Knouse
F. L. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 18, 1956

To: Files

From: F. L. Knouse

Subject: Docket No. DMEA-654
(Tin columbium-tantalum tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota
Supplement to Memorandum June 12, 1956

Telephone call from Mr. Traver, Denver, Colorado

Traver: What is your understanding of the contract concerning the analyses to be made of the concentrate samples recovered from the drill holes and test pits completed.

Knouse: The contract provides for an analysis for tin, columbium-tantalum and tungsten of the combined concentrate recovered from each drill hole and test pit completed. The Government project engineer can instruct the Operator concerning the drilling or test pit sinking interval that the gravel should be washed in order to determine the horizons of mineral concentration. I notice from the Operator's report that various analyses have been made of concentrate fractions recovered from the gravel in the bottom of one of the test pits. In a telephone call from the Operator she advised Mr. Binyon authorized this work. If Binyon authorized this work some action will have to be taken to see if the cost for this work can be approved provided it is to the benefit of the project work.

Traver: Then you in Washington want only analyses of a combined concentrate from each drill hole and test pit and not analyses of the various concentrate fractions.

Knouse: Yes, that is the intent of the contract.

F. L. Knouse

F. L. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUN 20 1956

[redacted]

June 15, 1956

AIR MAIL

[redacted]

Re: [redacted]

Dear [redacted]

[redacted]

If no additional work is approved by the Government and performed by your company, this amount shall continue to be withheld, along with such additional amount as may be deemed necessary, pending resolution of matters relating to closing the account, which includes the receiving by your company of a final geologic and engineering report as stipulated under Article 14 of the contract [redacted], and release to this office of an audit of contract expenditures by the Comptroller Administration and Audit Division of the Defense Minerals Exploration Administration.

Payment on the November 23, 1955 - April 15, 1956 voucher will be recommended as follows:

Amount Reported on Form DP-104		$1,548.12
Amount Disallowed		
Item [redacted] Mill Run Pressure	$385.12	
Item [redacted] Rental, Operating Equipment	[redacted]	
Total Disallowed		[redacted]
Total Accepted Costs		$ [redacted]
Government participation at 50 percent		$ [redacted] 791.26
Amount withheld		[redacted]
Recommended Payment		$ [redacted]

If you have any questions regarding the foregoing, please feel free to contact this office. Reference is made to our letter to you of May 17, 1956 regarding the above-mentioned disbursement.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, ERRA
Field Team, Region III

JDC:hh

cc-Congres. File E-98
Sen. Ap. Comm. (2)
Shaw (2)
Townsend
Cooper
Church.

w/orig. above telegram

w/copy above telegram

RECEIVED

JUN 20 1956

WESTERN UNION
TELEGRAM

1956 JUN 12 AM 1 02

KA030 BA014
B UBA079 NL PD=UD NEW YORK NY 11=
W M TRAVER, EXECUTIVE OFFICER, DMEA DEPT INTERIOR=
=224 NEW CUSTOMHOUSE DVR=

AM ADVISED WASHINGTON DMEA RARE METALS THAT CONTRACT IDM E 58 654X EXTENDED OCTOBER 2, 1956. WILL SIGN AMENDMENT AND FORWARD. PLEASE PREPARE PAYMENT MAIL CORPORATION HERE REPORT 3 VOUCHERED ENGINEERING FEES, ASSAYS AMOUNT $898. EXPECT VISIT DENVER ENROUTE DAKOTA REGARDING OTHER CLAIMS IF STILL HELD=

NORTHWEST DEFENSE MINERALS INC PEGGY KEENAN PRESIDENT=

Re Pay & prem
Metals Res.
6-18-56

TIN, COLUMBIUM-TANTALUM
TUNGSTEN
GOLD

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

118 E. 40 St
New York
June 15 1956

Mr. F. L. Knouse,
Mining Engineer,
DMEA
Dept Interior
Washington, DC

Dear Mr. Knouse:

We herewith return the signed Amendment No 13 of Contract Adm-E-58, 654x. Thank you very much for arranging it and please thank Mr. Mittendorf.

It would be an important favor if you could send the Denver office copies to Mr. Traver very soon.

I expect to be in Washington DC soon and hope to see you.

Sincere regards to you & Mr. Ellis -

Yours very truly,
Northwest Defense Minerals Inc
Peggy Keenan, President

Surname copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUN 13 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

As requested in your letter of May 21, 1956, to Mr. W. M. Traver of our Denver office, there are enclosed for your signature the original and five copies of Amendment No. 13 to the subject contract, signed by the Administrator for the Government.

If the terms and conditions of this amendment meet with your approval, please sign the original and all copies, retain the copy marked "Operator's copy," and return the original and the remaining copies to this office.

Sincerely yours,

Administrator

Enclosures

FLKnouse/ai
6/12/56
cc to: Admr's Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
DMEA Field Team, Region III (2)
Code 700
Mr. Knouse

Department of the Interior

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.

DMEA

14X4401(01) Revolving, Fund Defense Production Act, Interior (Allocate Revolving Fund to the Office of the Secy.)

Chambers
Kamm
Ellis
Gehon
Kilsgaard
Martin
Johnson
Hatfield

TELETYPE

JUN 13 1956

W. M. Trower, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

/DMEA-654/

Your telephone conversation 6-12-56, Contract Idm-258. Upon receipt of executed Amendment 13, it appears your suggested amount of $708.00 properly supported and work has been approved is a fair amount to pay operator, and you are authorized to make payment accordingly. Also the withholding of $240.00 from Operator for completion guarantee should accomplish its purpose.

W. S. Martin
ACTING Chairman, Operating Committee

JLChambers/wb
June 12, 1956

Copy to: Docket DMEA-654
Admr. Reading File
Confirmation to Region III
A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Mr. Ellis
Mr. Chambers
Operating Committee

R.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUN 14 1956

AIR MAIL

June 12, 1956

224 New Customhouse
Denver 2, Colorado

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654 (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota - Monthly Progress Report and Voucher for the period November 23, 1955 through April 15, 1956

Enclosed for your information is a copy of the subject report complete as received in this office except that a photocopy of Form MF-104 has been substituted for the copy which was submitted by the Operator. The original and three copies of the report are retained in this office.

Payment to the Operator is withheld pending execution of an amendment to extend the completion date of the contract. All of the allowable work for the above period was performed after January 1, 1956, the expiration date of the contract.

Of the total amount of $1,548.00 reported by the Operator on Form MF-104 only two items "Technical Services": $550.00 and "Assays" and "Copies": $348.00 are subject to reimbursement upon extension of the contract completion date. Government participation at 90 percent is $808.20, however a portion of this amount will be withheld to cover possible audit disallowances.

In addition to the above, an amount of $156.25, the maximum allowable cost of $6\frac{1}{4}$ feet of test pit work will become subject to reimbursement when the excavated material from all presently completed test pits has been concentrated. Government participation at 90 percent is $140.62.

Six analyses have been completed as follows on concentrates from a portion of the excavated material from one test pit.

1. Panned concentrates from material near bedrock
2. Cleaned jig concentrates
3. No. 2 jig concentrates
4. Jig bed concentrates
5. Jig residue from cleaned jig concentrates
6. Composite of Humphrey Spiral splits 1, 2, 3, and 5

Mineralogical examination was made of the cleaned jig concentrate, and the cost thereof is included with the cost of "assays" on Form MF-104.

If the above sampling and analytical procedure does not conform with your interpretation of the contract terms, please advise this office as soon as possible.

W. M. Traver

W. M. Traver

Enclosure

DMEA
Date Rec'd
RECEIVED MAY 1[illegible] 1956
JUN 14 1956
BUREAU OF MINES
Denver, Colorado

May 11, 1956

Memorandum

To: W. T. Frazer, Executive Officer, DMEA Field Team, Reg. III

From: E. C. Binyon, Rapid City, S. Dak.

Subject: Docket DMEA 6[illegible]4 (Tin, columbium-tantalum, tungsten), Contract Idm-858, Northwest Defense Minerals, Inc., Lawrence County, S. Dak. - Operator's Monthly Progress Report for the period Nov. 23, 1955 - April 15, 1956

Transmitted herewith are the original and four copies of the following:

1) Operator's MF-10A and MF-10A

2) Operator's Narrative Report, with copies of reports of analysis on six samples and a copy of a report on mineralogic l examination. Also attached to the report are five prints of a map of Beaver Creek showing churn drill holes and Test Pit No. 1 (Beaver Creek) with an attached sheet of analyses.

3) Bureau Engineer's Narrative Report.

Also enclosed are four extra copies of the Bureau engineer's report and the following:

1) A note from Miss Peggy Keenan concerning invoices for rental of classifier and trommel screen.

2) Letter of transmittal from the operator.

3) Invoices from E. [illegible] Atwater, Jr. for $550.00 for technical services on Progress Report 2, Dec. 26-27, 1955; maps for Report 2, January 2-3, 1956 and for Report 3, March 5 through March 9 and March 12-13, 1956.

4) Invoices from Lucius Pitkin, Inc. for $33[illegible].00 covering analytical work on six samples and $10.00 for preparation of extra copies of reports.

5) Copy of letter to Lemeaux and Company requesting prices on analytical work.

6) Letter from Walker and Whyte, Inc., quoting prices for assaying.

7) Invoice from New Era Mining Co. for $200.00 for rental of equipment: Humphrey Spiral, sand pump, power unit and Denver 14" x6" mineral jig.

Except for the preparation of Report No. 3 and the accompanying maps and preparation of maps for Report No. 2, the work for which payment is claimed was completed prior to January 1, 1956, as stipulated by amendment to the contract. The work under the items that have been allowed was done in conformance with the contract, and it is recommended that the government's share (90 percent) of the allowable cost, $1,054.25, or $948.82 be paid.

E. C. Binyon

cc: Traver (2)
files

RECEIVED
JUN 14 1956

May 10, 1956

Memorandum

To: W. L. Traver, Executive Officer, DMA Field Team, Rm. 181

From: E. C. Binyon, Rapid City, S. Dak.

Subject: Docket No. A 654 (Tin, columbium-tantalum, tungsten), Contract Idm-158, Northwest Defense Minerals, Inc., Lawrence County, S. Dak. - Operator's Monthly Progress Report, for the period Nov. 23, 1955 - April 15, 1956

The subject report was received in this office on May 8, 1956.

The work covered by the Operator's Engineer's Narrative Report was such that only a check of the calculations could be made. A few minor arithmetical errors in conversion of recovery from total yardage to pounds per cubic yard were noted. The errors make a difference of $.01 in the value per cubic yard.

Of the Operator's claims for payment on the Operator's Monthly Report and Voucher Form MF-104 dated Nov. 23, 1955 - April 15, 1956, the following allowances and disallowances are made:

Test Pitting

Three test pits were approved by this office. The pits and depths are:

Bear Creek Test Pit No. 1 - 6½ ft.
Bear Creek Test Pit No. 2 - 7 ft.
Beaver Creek Test Pit No. 1 - 18½ ft.

Payment through Report No. 2 - 25½ ft. @ $25.00 per ft. -	$631.25
Claimed in Report No. 3, 6, ft. 6½ ft. @ $25.00 per ft. -	156.25
	$787.50

Total Test Pit footage - 31½ ft. @ $25.00 per ft. - $787.50

Of the $325.12 claimed under "Test Pit Caisson Costs - Mill Run Process," $156.25 is allowed.

Mill Run Process

The balance of the $325.12, or $168.37, apparently is for Mill Run Process and is disallowed. Expenditures for this item are not provided for in the contract except that the cost of treating samples is included in the cost per foot for churn drilling and test pitting.

Technical Services

The $200.00 claimed for technical services, Progress Report No. 2, December 26 and 27, 1955, and maps for Report No. 2, January 2 and 3, 1956, may be a duplication, at least in part, of the charges submitted for technical services in Report No. 2. However, as this cannot be proved and the item is documented by invoice, the full amount claimed, $550.00, is therefore allowed.

Rental of Equipment

The amount claimed for rental of equipment, $375.00, although documented by invoices, is disallowed as it is a part of the Mill Run Process Cost and is not included under the terms of the contract.

Allowed		Disallowed	
Test Pit, 6 ft. @ $25 -	$156.25	$168.87	Mill Run Process
Technical Services	550.00	325.00	Equipment Rental
Assays, 6 samples	338.00		
Copies of Report	10.00	$493.87	
	$ 1,054.25		

It is recommended that the operator be paid $948.82, or 90 percent of the $1,054.25 allowed for expenditures under the terms of the contract.

E. C. Binyon

cc: Traver (8)
files

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 12, 1956

Memorandum

To: File

From: F. L. Knouse, Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-654
(Tin columbium-tantalum tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota

Telephone call from Mr. Traver, Denver, Colorado

Traver: We have looked over our accounts of the Operator and find that we can release to the Operator for the work completed $708.00 and withhold $240.00 as a guarantee for the completion of the work. This action can be taken after we receive the copy of the executed amendment that extends the period of time to complete the processing ~~of the samples~~ and analyses of the samples. If this action meets with the approval of the Washington office, send me a teletype to that effect.

Knouse: Will you advise the Operator accordingly?

Traver: Yes, I will wire her accordingly. In fact I had a telegram from her when I arrived at the office asking when I could release the funds.

Knouse: I will take up the question of the teletype to you at once. The amendment should go to the Operator probably Wednesday and when the executed copies are returned, we will send you your copies.

F. L. Knouse

F. L. Knouse

Department of the Interior

UNITED STATES DMEA
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.

14X4401(01) Revolving Fund
Defense Production Act, Interior (Allocated Revolving Fund to the Office of the Secy.)

Chambers
J Chambers
Ellis
Kilsgaard
Gelhon

TELETYPE

W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Your teletypes 6-4-56 and 6-6-56, Docket DMEA-654, Contract Idm-358, Northwest Defense Minerals, Inc. Amendment to extend completion period of contract will be sent to Operator. Washington suggests that upon receipt of executed amendment you may release voucher for $799.20 referred to in your teletype 6-4-56, in amount properly supported. This action necessary to get work completed. If you do not have serious objections advise operator on your proposed action upon receipt of amendment.

Chairman, Operating Committee

This telegram was not sent at request of Mr. Martin, Director of Finance and telephoned at direction of Martin. Later another set of telegrams was [illegible]
J L Chambers

JLChambers/wb
June 7, 1956

Copy to: Docket
Admr. Reading File
Operating Committee
Confirmation to Region III
A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Mr. Ellis
Mr. Chambers

Department of the Interior

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

14X4401(01) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to the Office of the Secy.)

Chambers
J. L. Kuiper
Ellis
Guhan
Kiilsgaard
Martin
Stephenson
Witherspoon

TELETYPE

JUN - 6 1956

W. M. Traver, Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Rewrtt 6-4-56, Docket DMEA-654, Contract Idm-258, Northwest Defense Minerals, Inc. Only Amounts should be withheld to cover possible disallowances and to guarantee final report. If the amount is of great concern send auditor and engineer to project to make determination. This office does not have data to answer your question.

W. S. Martin
ACTING Chairman, Operating Committee (JLB)

JLChambers/wb
June 6, 1956

Copy to: Docket
Admr. Reading File
Operating Committee
Confirmation to Region III
A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Mr. Ellis
Mr. Chambers

R.C.G.

W. S. Martin
D.M.E.A.

RECEIVED
JUN - 7 1956

DN 235 BU MINES 6-6-56 4-12

W S MARTIN, ACTING CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT -6-6-56, DOCKET DMEA 654, CONTRACT IDM-E58, NORTHWEST DEFENSE MINERALS, U XX INC. WE BELIEVE ACCOUNTING RECORDS TO BE IN NEW YORK CITY. IF SO, AUDIT FROM THIS OFFICE APPEARS IMPRACTICAL. HOWEVER IF IT IS OUR OPTION, WE PREFER TO WITHHOLD THE ENTIRE AMOUNT WHICH WILL EVENTUALLY BE DUE THE OPERATOR IN THE AMOUNT OF $939.82, AS PER OUR TELETYPE OF 6-4-56. PLEASE TELETYPE ADVICE IF YOU DO NO XX NOT CONCUR IN WITHHOLDING THAT AMOUNT.

W M TRAVER

Denver, Colorado

JUN 7 7 49 AM '56

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

Surname copy

700

Knouse (2108)
Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

June 5, 1956

Memorandum

To: Associate Solicitor
Division of Mineral Resources

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-458
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota

In accordance with Mr. Travor's memorandum, dated June 1, 1956, to the Chairman, Operating Committee, and referring to Item 5(a) of Amendment No. 9, please draft Amendment No. 13 for the signature of the Administrator which will allow until October 1, 1956, to complete the processing of and analytical work on samples from test pits and drill holes completed under Stage II of the contract.

Ernest Wm. Ellis

Ernest Wm. Ellis

FLKnouse/gla
cc to: Docket
Code 700
Mr. Knouse

Mr. W. S. Martin

RECEIVED

JUN - 1956

DN 235 BBUR MINES 6-4-56 4-10

W S MARTIN, ACTING CHAIRMAN, OPERATING COMMITTEE, DMEA

RELRTT 6-4-56, DOCKET DMEA 654, CONTRACT IDM-E58, NORTHWEST DEFENSE MINERALS, INC. RECOMMENDATIONS REQUESTED WERE FORWARDED TO YOU BY OUR MEMORANDUM OF 6-1-56. EXTENSION OF COMPLETION PERIOD WILL RELEASE TO OPERATOR GOVERNMENT PARTICIPATION AMOUNTING TO $799.20. ADDITIONAL AMOUNT DUE OPERATOR ON COMPLETION OF MILL RUN WORK NOW IN PROCESS WILL AMOUNT TO $140.62 FOR 6-1/4 FEET OF TESTPITTING AT $25.00 PER FOOT. PLEASE TELETYPE INSTRUCTIONS AS TO THE AMOUNT WE SHOULD WITHHOLD FROM FINAL PAYMENT TO OPERATOR TO PROTECT THE GOVERNMENT S INTEREST PENDING RESOLUTION OF ALL MATTERS RELATIVE TO CLOSING THE ACCOUNT.

W M TRAVER

Denver, Colo.

Surname copy

Department of the Interior

DMEA F L Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D.C.

14h4G1(G1) Revolving Fund, Defense Production Act, Interior (Allocated Working Fund to the Office of the Secy.)

TELETYPE

W. M. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

JUN 4 1956

Mr. Kiilsgaard
Gethen
Martin
Chambers
F Johnson
Mathews

REFERENCE DMEA-63, NORTHWEST DEVELOPE MINERALS, INC., OPERATOR REQUESTS EXTENSION OF TIME TO COMPLETE PROCESSING OF AND ANALYTICAL WORK ON SAMPLES FROM TEST PITS AND DRILL HOLES AS PER ITEM 5(A) OF AMENDMENT NO. 9, AND ALSO STATES THAT SAID EXTENSION SHOULD RELEASE ABOUT ONE THOUSAND DOLLARS IN FUNDS BY YOUR OFFICE WHICH WOULD ENABLE THE COMPLETION OF SAID WORK. PLEASE FURNISH RECOMMENDATIONS OF PERIOD OF TIME REQUIRED TO COMPLETE WORK AND ALSO APPROXIMATE AMOUNT OF FUNDS SUCH AN AMENDMENT WOULD RELEASE.

W. S. Martin
ACTING CHAIRMAN, OPERATING COMMITTEE (363)

FLKnouse/gla
6-1-56
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
Confirmation to Region III

R.C.G.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
JUN - 4 1956

224 New Customhouse
Denver 2, Colorado

June 1, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

Enclosed is the following material pertaining to an amendment to the subject contract to extend the date fixed for completion of the project work:

1. Original and two copies of the Operator's letter of May 21, 1956.

2. Original and two copies of the Operator's letter of May 25, 1956.

3. Original and two copies of a memorandum report dated May 28, 1956 from E. O. Binyon, Mining Engineer, Bureau of Mines, Rapid City, South Dakota.

The Operator, in the letter of May 21, requests an extension of the contract to a date which will give the Operator a reasonable period of time to finish the mill run process.

If you will refer to our letter of May 17, 1956, to Miss Peggy Keenan, President, Northwest Defense Minerals, Inc., two copies of which were forwarded to you at the time of writing, you will see that a part of the costs reported by Miss Keenan in the accounting report No. 3 referred to in both her letters of May21 and May 25 could not be allowed because the costs were incurred subsequent to the date fixed for expiration of the contract.

The engineer, in his report under item 3, estimates that it will require from four to five months to complete the processing and analytical work connected therewith on the material obtained from

the drill holes and the first three test pits. Therefore we recommend that an amendment be prepared to extend the date fixed for completion of the work to provide only sufficient time to enable completion of the processing and analytical work that has been started.

W. M. Traver

W. M. Traver

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

RECEIVED
JUN - 4 1956

REGION III DMEA
Date Rec'd. 5/28

RAPID CITY EXPERIMENT STATION

SCHOOL OF MINES CAMPUS
RAPID CITY, SOUTH DAKOTA

MAY 31 1956

May 28, 1956

Memorandum

BUREAU OF MINES
Denver, Colorado

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon, Rapid City, S. Dak. Through: S. M. Munke

Subject: Docket DMEA 654 (Tin, columbium-tantalum, tungsten), Contract E58, Northwest Defense Minerals, Inc., Lawrence County, S. Dak.

This is in reply to your memorandum dated May 15 requesting an estimate of the additional time that will be required to complete test work on churn drill and test pit samples taken during the preliminary stage of Phase II of the subject contract.

Any estimate as to the time the operator will require to wash and concentrate the remaining samples of gravel from the churn drill holes and test pits will be, at best, only a guess.

In all, approximately 25 cubic yards of material was obtained from the churn drill holes and test pits, 2 to 3 yards coming from the holes and about 23 yards from the pits. The exact sample interval is not known; however, churn drill holes were sampled about every 6 feet, and for the test pits the interval was about 5 feet, or the depth of each section of the caisson. Accordingly, a total of 64 samples was taken. Of these, 58 were from the churn drill holes and 6 from the test pits.

As it is possible that 1/3 to 1/2 the total number of samples will be eliminated by a lack of values in the upper parts of both churn drill holes and test pits, only 20 or 30 samples may have to be washed and concentrated. If so, between $1\frac{1}{2}$ to 3 months would be required to complete washing, concentrating and analytical work.

The operator spent 4 days in washing and concentration of the $1\frac{1}{4}$ cubic yards of gravel from Test Pit No. 1 on Beaver Creek. If the same amount of time is required for the remaining yardage, then it would take about 3 months for processing and probably another month or two for the analytical work and a report, or a total of 4 to 5 months to complete this stage of Phase II.

The continuation of churn drilling and test pitting under Phase II is dependent upon the results of the recently completed work and, as these results are far from complete, no estimate can be made as to the additional churn drilling and/or test pitting that will be required to adequately explore both Bear and Beaver Creeks. However, should the results of the work on the samples now on hand warrant all of the test pitting and/or churn drilling allowed under Phase II, then between $1\frac{1}{2}$ and 2 years would be required for completion by the operator. This estimate is based on the assumption that progress on future work would be no better than it has been in the past.

E. O. Binyon

E. O. Binyon

cc: Traver (2)
files

NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

DMEA
Date Rec'd.
MAY 28 1956

BUREAU OF MINES
Denver, Colorado

May 25, 1956

RECEIVED
JUN - 4 1956

Mr. W. M. Traver, Executive Officer
DMEA Field Team Region III
Department of Interior
224 New Customhouse
Denver, Colorado

118 East 40th St.
New York, N. Y.

Dear Mr. Traver:

Progress reports 2 and 3, written by Mr. R. M. Atwater, Jr. made it clear that the Phase II work Contract Idm - E-58, 654X, was suspended by the DMEA because the extreme weather caused working conditions to be impossible. Mr. Binyon went to Northwest Defense Minerals, Inc. in November 1955 to check the mill run process then in operation and found the ice conditions and other considerations very bad. He advised Mr. Atwater to suspend operations.

With reference to the Technical Services, the allowance made in Amendment No. 3 was for $25.00 per sample per assay. It was found during December 1955 that no assay firm would accept the work for that price. It was necessary to contact Mr. Traver, who advised that if the Operator received bids for assay, the low bid price would be acceptable and reimbursable. All of this was accomplished by letter which consumed time.

The engineer could not possibly write report 3 or document the maps, without the assay reports, therefore, the engineers time was mostly spent after January 1, 1956. The assayor was extremely busy and this caused more delays which were unavoidable.

The above information has been transmitted to the field, and this is a review to clarify some of the reasons for request of extension of Idm E-58, 654X dated May 21 1956.

Will you please arrange to extend the contract and to service our expended funds of report 3 as soon as possible?

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.
Peggy Keenan, President

Peggy Keenan
President

PK/pm

NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

DMEA
Date Rec'd.
MAY 22 1956
BUREAU OF MINES
Denver, Colorado

May 21, 1956

Mr. W. M. Traver, Executive Officer
Field Team RegionIII
DMEA, Dept. of Interior
224 New Customhouse
Denver, Colorado

118 East 40th St.
New York City

Dear Mr. Traver:

Your letter of May 17 received and indicates that due to technicalities beyond the control of Northwest Defense Minerals, Inc., your division is holding between $1500 and $2000 in claims for work performed under report 2 and report 3.

In a letter dated March 10, 1956 to Mr. Ernest Wm. Ellis, Chief, Rare and Miscellaneous Metals Division, our Corporation made the request for an extension of the Contract Idm E-58, 654X. Knowing this request was in the hands of the executives who previously granted our Corporation extensions and amendments, we expected there would be no delay as outlined in your May 17 letter.

The Northwest Defense Minerals, Inc. requests an extension of the Contract Idm E-58, 654X to a date which will give the Operator a reasonable period of time to finish the mill run process and which allows the immediate release of funds for technical services etc., in report 3. Copies of this letter are being sent to Mr. Ellis and Mr. Binyon so that there will be no misunderstanding in the various offices of the DMEA with regard to our request for an extension.

With reference to the other items in your letter; the whole account is really devastating and we will have to take a few days to recover from the shock over the state of our finance tied up in the project.

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.
Peggy Keenan, President

Peggy Keenan
President

cc to Mr. Ellis and Mr. Binyon

PK/pm

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

May 31, 1956

Memorandum

To: File

From: F. L. Knouse, Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA 654
(Tin columbium-tantalum tungsten)
Contract No. Idm E-58
Northwest Defense Minerals, Inc.
Lawrence County, South Dakota

N. F. C. Telephone call from Miss Keenan, president

Miss Keenan: I am calling to determine how I can effect the payment of funds due us for work completed on the subject project. I have repeatedly written and telegraphed Mr. Traver for the release of these funds without success, and I am in dire need of these funds for use to complete the processing of the samples obtained from the drill holes and test pits completed during 1955 on my property. In addition I should like to have the contract amended to extend the period of time to complete this work. This extension of time should release about $1000 now being withheld by Mr. Traver for work I have completed, and I estimated I can complete the sample processing with these funds except for ~~requiring~~ engineering expenses to direct this work which is allowed in the contract.

Knouse: An amendment to extend the period of time to complete the work can be taken care of by this office after we have the recommendation from Mr. Traver as to the time that will be required to do this work. As to the release of the funds for the work you have completed, that question will have to be resolved by Mr. Traver after such an amendment has been executed. We will take the necessary step to prepare the amendment to extend the period of time, and this other question should be taken up with Mr. Traver.

F L Knouse

F. L. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
MAY 21 1956

224 New Customhouse
Denver 2, Colorado

May 17, 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York City, New York

Re: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-E58
Rawlins Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

Your letter of April 20, 1956 and your Monthly Progress Report and Voucher for the period November 23, 1955-April 15, 1956 have been received in this office.

In your letter you have requested clarification of several items connected with Progress Report No. 2, Phase II. These items will be taken in the order mentioned in your letter.

a) The amount approved by the Finance Office for costs under Report No. 2 is $2,681.51. Government participation at 90 percent is $2,413.36, which is the amount received by your company.

b) Truck repairs disallowed: $150.09. Certain minor repairs were allowed in the amount of $110.92. The amount disallowed was for major repairs and purchase of tires and other equipment.

c) Food costs disallowed: $115.64. A review of the documentation of food costs will be made at a later date, at which time any amount still due will be reinstated. Several items of documentation were not clearly marked for the commisary and, therefore, were disallowed.

d) The 6 1/4 feet of test pitting disallowed is for the first pit sunk on Bear Creek. It has now been determined that the pit will be allowed when the "Mill Run Process" has been completed, including the treatment of material from this pit.

e) Mill Run Process

This item cannot be allowed separately, but must be considered as a part of the test pit work. Amendment No. 11 stipulates that the test pit work includes the washing and concentration of the excavated material, and separation of free gold.

In reference to the Monthly Progress Report and Voucher for the period November 23, 1955-April 15, 1956, payment on this voucher will be deferred for the reasons given below.

Category (1) Test Pit Caisson and Mill Run Process

No payment can be made under this category until the Mill Run Process has been completed. The cost of 6 1/4 feet of test pit work is the only cost that can then be allowed.

Category (2) Technical Services

Documentation furnished with the report indicates that the work was performed after January 1, 1956, the expiration date of the contract. No payment can be made until the completion date is further extended on request from you.

Category (4) Equipment Rental

There is no provision in the contract for rental of Mill Run Processing equipment under Category (4). This is an integral part of the maximum cost of $25.00 per foot for sinking test pits. Items 1 and 2 of Amendment No. 11 are quoted below.

"1. The Operator may elect to perform some or all of the work of sinking the 9 test pits authorized under Exhibit "A" attached to Amendment No. 3 dated October 28, 1952, either itself, or through independent

contractors. The said work includes washing excavated material, concentrating contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals, and separating the free gold from the concentrates.

2. Irrespective of whether the aforesaid work is done under independent contracts, or by the Operator itself, the maximum amount to which the Government will contribute shall be the actual cost, but not in excess of $25 per foot, for sinking not more than 9 test pits with a total footage of not more than 180 feet. The total maximum allowable cost for this work shall be $4,500."

Category (8) Assaying

Documentation furnished with the report indicates that the analytical work was performed after the expiration date of the contract. No payment can be made until the completion date is further extended on request from you.

We hope that this answers all of your questions satisfactorily.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JDC:jy
cc: Corresp. E58 w/orig. of Oper's letter
Sec. Op. Comm. (2)
Runke
Townsend
Cooper
Chron.

NORTHWEST DEF[illegible]

SPEARF[illegible]

RECEIVED

MAY 21 1956

Mr. [illegible] Travers
Field Team, [illegible]
Department [illegible]
224 New Cus[illegible]
Denver, [illegible]

[illegible] East 40th Street
New York City

Dear Mr. Travers:

Progress Report #3 and MF104, MF104A with Vouchers have been forwarded to Mr. Binyon.

The Northwest Defense Minerals, Inc. is in receipt of the DMEA Administrative Audit Difference Statement dated April 4, 1956 and the audit has been studied.

The check received April 10, 1956, for report 2 claims was $2413.36. According to the Audit Difference Statement, the amount approved so far is $2681.51. There is an amount due according to the record, of $268.15 or the difference between the check and the audit.

With reference to disallowances, - "Truck Repairs" of $150.09, and "Food Costs" of $115.64, cancelled checks were sent as vouchers in support of expenditures. Are these not vouchers? With reference to the caisson test pit disallowances:

During the report 1 period, September 22 to October 28, 1955, 19 feet was reported excavated @ $25.00 a foot in the amount of $456.25 (see documentation of maps, 7 feet Bear Creek, 12 feet Beaver Creek). This amount was first disallowed, but on the April 4 audit was allowed.

During report 2 period, October 29 to November 22, 1955, a second caisson test pit 7 feet in depth, was excavated by order of Mr. Binyon, approved by Mr. Atwater. It was excavated upstream from caisson test pit #1 in Bear Creek (see reports 1 and 2). This 7 feet @$25.00 a foot is part of 13.25 feet claimed in report 2. It appears that the 7 feet was allowed on the audit. The balance of the 13.25 feet was 6.25 feet to bedrock in the Beaver Creek caisson in the amount of $156.25 (see maps of report 2). This amount is again claimed.

With reference to mill run process claims, was allowance for mill run made? We are sending additional vouchers for report 2 mill run process for rentals of equipment and they are included in report 3 MF104, 104A.

To summarize claims not paid:

6.25 feet Beaver Creek test pit	$156.25
Difference on Audit Statement with check received	268.15
Truck repairs covered by check vouchers	150.09
Food costs covered by check vouchers	115.68
Total	$680.17

May we please have these claims settled as soon as possible?

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

Peggy Keenan
President

PK/pm

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

May 15, 1956

Memorandum

To: S. M. Rumke

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin, Columbium-Tantalum, Tungsten), Contract I4m-258, Northwest Defense Minerals, Inc., Fall River County, South Dakota

Reference is made to our teletype to the Chairman, Operating Committee, dated May 10, 1956, and his teletype reply of May 11, 1956, copies of which were forwarded to you, relative to further extension of the date for completion of the project work.

In order to supply the requested information to the Washington Office, please forward to this office as soon as possible an estimate of the additional time that will be required to complete the washing, concentration, and analytical work connected with the drilling and test pitting completed to date under Phase II of the contract.

If additional drill holes or test pits are deemed desirable or necessary to complete the exploration work, please include a statement to that effect, giving the number of drill holes and/or test pits, the estimated footage of each, and an estimate of the time required to complete the additional work, including the processing of the material and the analytical work involved.

W. M. TRAVER

W. M. Traver

JVT:prl
cc: Chairman, Oper. Comm. (2)
Marshman
Townsend
Corres. file
Chron.

RECEIVED
MAY 17 1956

FILE COPY
Surname:
LJ Knouse
Kilsgaard
Yager
Selfridge
Johnson
Wittendorf
700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAY 11 1956

DEPARTMENT OF THE INTERIOR

DMEA

1hXh01(01) Revolving Fund,
Defense Production Act,
Interior, (Allocated Working Fund to the
Office of the Secy.)

T E L E T Y P E

W. M. TRAYER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
7th NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT MAY 10 DMEA 6Q NORTHWEST DEFENSE MINERALS, INC. UPON RECEIPT OF FIELD TEAMS RECOMMENDATIONS WITH DETAILED SAMPLING RESULTS FROM BACK DRILL HOLE AND TEST PIT COMPLETED, EXTENSION OF COMPLETION DATE WILL BE CONSIDERED.

George C. Selfridge

GEORGE C. SELFRIDGE /JB
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/izm 5-22-56
cc to: Docket
Code 700
Admr.'s Reading File
Operating Committee
Mr. Knouse
Messrs. ARenick, 3624 Kiilsgaard, 5224
Confirmation to Region III

RCK

Chairman Operating Committee, D.M.E.A.

RECEIVED

MAY 10 1956

BUR MINES DN 235 5-10-56 10-36 AM

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE DOCKET DMEA 654, CONTRACT IDM-E58, NORTHWEST DEFENSE MINERALS, INC., ITEM.2 OF AMENDMENT NO.9. PLEASE ADVISE WHETHER EXTENSION OF COMPLETION PERIOD AND ADDITIONAL WORK ARE BEING CONSIDERED.

W M TRAVER

Denver, Colorado

MAY 10 1 58 PM '56
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

Copy. Mr. J. L. Krause Code 200
Chambers

NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

April 20, 1956

DMEA-654

Mr. W. M. Traver, Executive Officer
Field Team, Region III
Department of Interior
224 New Customhouse
Denver, Colorado

118 East 40th Street
New York City

Dear Mr. Traver:

Progress Report #3 and MF104, MF104A with Vouchers have been forwarded to Mr. Binyon.

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RECEIVED
MAY 4 - 1956

To summarize claims not paid:

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Difference on Audit Statement with check received	268.15
Truck repairs covered by check vouchers	150.09
Food costs covered by check vouchers	115.68
Total	$680.17

May we please have these claims settled as soon as possible?

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

Peggy Keenan
President

PK/pm

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
APR 11 1956

224 New Customhouse
Denver 2, Colorado

April 9, 1956

Memorandum

To: T. A. Christensen

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-654, Contract I4m-258, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

Please change your records to show the address of the subject contractor as 118 East 40th Street, New York City, N. Y. instead of Standish Hotel, 45 West 81st Street, New York 24, N. Y.

W. M. TRAVER

W. M. Traver

WMT:pw

cc: Corres. 258
Townsend
Sec.Op.Comm. (2)
Chron

224 New Customhouse
Denver 2, Colorado
Bureau of Mines
Department of the Interior, DMEA

Straight Telegram Charge

March 30, 1956

JDC:jy

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Standish Hotel
45 West 81st Street
New York 24, New York

REOURTEL 3-26-56, DMEA 654X-E58, NOVEMBER VOUCHER UNAVOIDABLY DELAYED IN THIS OFFICE. WE ANTICIPATE PAYMENT WILL REACH YOUR OFFICE BY APRIL 5.

W. M. TRAVER

W. M. TRAVER

JDC:jy
cc: Sec. Op. Comm. (2)
Corresp. E58
Binyon
Accounts
Townsend
Chron.

DOMESTIC SERVICE	
Check the class of service desired; otherwise this message will be sent as a fast telegram	
TELEGRAM	
DAY LETTER	
NIGHT LETTER	

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S
E

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1206 (4-55)

INTERNATIONAL SERVICE	
Check the class of service desired; otherwise the message will be sent at the full rate	
FULL RATE	
LETTER TELEGRAM	
SHORE-SHIP	

NO. WDS.-CL. OF SVC.	PD. OR COLL.	CASH NO.	CHARGE TO THE ACCOUNT OF	TIME FILED
	Collect			

Send the following message, subject to the terms on back hereof, which are hereby agreed to

Peggy Keenan, President
Northwest Defense Minerals, Inc.
Standish Hotel
45 West 81st Street
New York 24, New York

RECEIVED
MAR 28 1956

March 26, 1956

REURTEL 3-25-56, DMEA 654X - E58 NOVEMBER VOUCHER IN PROCESS.

YOU SHOULD RECEIVE PAYMENT FOR APPROVED PORTION OF COSTS BY

END OF WEEK.

W. M. TRAVER

JDC:jy
cc: Corresp. E58
Sec. Op. Comm. (2)
Binyon
Accounts
Townsend Chron.

W. M. TRAVER

ALL MESSAGES TAKEN BY THIS COMPANY ARE SUBJECT TO THE FOLLOWING TERMS:

To guard against mistakes or delays, the sender of a message should order it repeated, that is, telegraphed back to the originating office for comparison. For this, one-half the unrepeated message rate is charged in addition. Unless otherwise indicated on its face, this is an unrepeated message and paid for as such, in consideration whereof it is agreed between the sender of the message and the Telegraph Company as follows:

1. The Telegraph Company shall not be liable for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the unrepeated-message rate beyond the sum of five hundred dollars; nor for mistakes or delays in the transmission or delivery, or for non-delivery, of any message received for transmission at the repeated-message rate beyond the sum of five thousand dollars, unless specially valued; nor in any case for delays arising from unavoidable interruption in the working of its lines.

2. In any event the Telegraph Company shall not be liable for damages for mistakes or delays in the transmission or delivery, or for the non-delivery, of any message, whether caused by the negligence of its servants or otherwise, beyond the actual loss, not exceeding in any event the sum of five thousand dollars, at which amount the sender of each message represents that the message is valued, unless a greater value is stated in writing by the sender thereof at the time the message is tendered for transmission, and unless the repeated-message rate is paid or agreed to be paid and an additional charge equal to one-tenth of one per cent of the amount by which such valuation shall exceed five thousand dollars.

3. The Telegraph Company is hereby made the agent of the sender, without liability, to forward this message over the lines of any other company when necessary to reach its destination.

4. The applicable tariff charges on a message destined to any point in the continental United States listed in the Telegraph Company's Directory of Stations cover its delivery within the established city or community limits of the destination point. Beyond such limits and to points not listed in the Telegraph Company's Directory of Stations, the Telegraph Company does not undertake to make delivery but will endeavor to arrange for delivery by any available means as the agent of the sender, with the understanding that the sender authorizes the collection of any additional charge from the addressee and agrees to pay such additional charge if it is not collected from the addressee.

5. No responsibility attaches to the Telegraph Company concerning messages until the same are accepted at one of its transmitting offices; and if a message is sent to such office by one of the Telegraph Company's messengers, he acts for that purpose as the agent of the sender; except that when the Telegraph Company sends a messenger to pick up a message, the messenger in that instance acts as the agent of the Telegraph Company in accepting the message, the Telegraph Company assuming responsibility from the time of such acceptance.

6. The Telegraph Company will not be liable for damages or statutory penalties when the claim is not presented in writing to the Telegraph Company, (a) within ninety days after the message is filed with the Telegraph Company for transmission in the case of a message between points within the United States (except in the case of an intrastate message in Texas) or between a point in the United States on the one hand and a point in Alaska, Canada, Mexico, or St. Pierre-Miquelon Islands on the other hand, or between a point in the United States and a ship at sea or in the air, (b) within 95 days after the cause of action, if any, shall have accrued in the case of an intrastate message in Texas, and (c) within 180 days after the message is filed with the Telegraph Company for transmission in the case of a message between a point in the United States and a foreign or overseas point other than the points specified above in this paragraph; provided, however, that this condition shall not apply to claims for damages or overcharges within the purview of Section 415 of the Communications Act of 1934, as amended.

7. It is agreed that in any action by the Telegraph Company to recover the tolls for any message or messages the prompt and correct transmission and delivery thereof shall be presumed, subject to rebuttal by competent evidence.

8. Special terms governing the transmission of messages according to their classes, as enumerated below, shall apply to messages in each of such respective classes in addition to all the foregoing terms.

9. No employee of the Telegraph Company is authorized to vary the foregoing.

4-54

CLASSES OF SERVICE

DOMESTIC SERVICES

TELEGRAM

The fastest domestic service.

DAY LETTER (DL)

A deferred same-day service, at low rates.

NIGHT LETTER (NL)

Economical overnight service. Accepted up to 2 A. M. for delivery the following morning, at rates lower than the Telegram or Day Letter rates.

INTERNATIONAL SERVICES

FULL RATE (FR)

The fastest overseas service. May be written in code, cipher, or in any language expressed in Roman letters.

LETTER TELEGRAM (LT)

For overnight plain language messages, at half-rate. Minimum charge for 22 words applies.

SHIP RADIOGRAM

For messages to and from ships at sea. ( )

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

DMEA

Date Rec'd

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

MAR 26 1956

KA289 SYA072

BUREAU OF MINES

1956 MAR 25 PM 2 55

SY ND439 NL PD AR=NEW YORK NY 25=

W M TRAVER, EXECUTIVE OFFICER,

DEFENSE MINERALS EXPLORATIONS ADMINISTRATION=

DEPT OF INTERIOR 224 NEW CUSTOMS HOUSE DVR=

PLEASE ADVISE BY COLLECT NIGHT LETTER WHEN I MAY RECEIVE OUR FUNDS FOR DMEA654XE58 IF THEY ARE IN ORDER, OR IF THEY ARE NOT IN ORDER PLEASE ALSO ADVISE. THE FUNDS ARE URGENTLY NEEDED BY OUR CORPORATION FOR COMMITMENTS CONTRACTS TAXES=

NORTHWEST DEFENSE MINERALS INC PEGGY KEENAN PRES=.

Answered 3-26-56 - Night letter collect

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

March 19, 1956

Memorandum

To: The File

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Mr. James Bacon, Washington representative for Miss Keenan, advised today that copies of the several analysis reports, dated February 3, 1956, attached to her letter of March 10, 1956, to Mr. Ellis, were sent by her to Mr. W. M. Traver at Denver.

F. L. Knouse

F. L. Knouse

Surname copy

700

F L Knouse
Ellis
Neff

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 16 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York City, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-858
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

In accordance with your letter of March 10, 1956, I am enclosing eight copies each of Forms MF-104 and 104A.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

Enclosures

FLKnouse/gla
3/15/56
cc to: Admr.'s Reading File
Docket
Code 700
Mr. Knouse
Contract Adm. & Audit Division, w/cc Miss Keenan's letter March 10, 1956.
DMEA Field Team, Region III (2), w/2cc " " " " " "

R.C.L.

For Mr. Ellis
These are preliminary to the Separating Report being mailed
P. K.

SEPARATIONS ENGINEERING CORPORATION - COPY

March 15, 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

RECEIVED
MAR 19 1956

Dear Miss Keenan:

Re IMEA Docket #654X
Contract Idm-E58
Rawlins Mining District
Lawrence, South Dakota

You have shown me a copy of the letter from the DMEA Denver office dated January 4, 1956 in which they say that no allowance is made in the contract for gold analyses.

In the body of the contract it is shown that the "free gold shall be removed and the estimated value per cubic yard determined". It is obvious that on a very small amount of material no determinable value per cubic yard of the free gold can be removed, and were it possible it would still be meaningless on account of the fine gold and attached particles which do not respond to the simple methods of dry concentration which we have here. In other words, it is impossible to make an estimate or determine the value of the cubic yard by physical means with such a small sample.

Consequently, I make the suggestion that you forward a copy of this letter to the various interested parties in the Government and suggest that an amendment be made of the exact wording in the contract so as to read that the gold shall be determined by chemical analysis at the expense of Northwest Defense Minerals, if the Government so desires.

Further, on closely reading the contract, it is not clear as to the Government's desires regarding analyses. As stated above, in the DMEA letter of January 4, 1956 they state there will be no allowance for gold analyses. Does the Government wish to have the tin concentrate, the scheelite concentrate, the columbium-tantalum fraction, together with middlings and tailings, analyzed for the various elements, or do they desire to accept Lucius Pitkin's analyses of the unseparated portion of the sample which was given to us, being one-half of the concentrates, the other half being held by DMEA at Rapid City, South Dakota. If the Government wants them analyzed will laboratory payment thereof be authorized?

Yours very truly,
SEPARATIONS ENGINEERING CORPORATION

G.W.Jarman
ib

President

For Mr. Ellis
Delivered by Mr. Bacon
3/21/56

SEPARATIONS ENGINEERING CORPORATION - COPY

DMEA-654
Contract 10M-E58

What was the weight of the sample of concentrates or nodules of all the processing products, and what percentage of pay was present in the original gross sample?

Test Report on sample for: March 15, 1956.

NORTHWEST DEFENSE MINERALS, INC.

This sample is a complex concentrate made by Mr. R.M. Atwater, Jr. on the property of Northwest Defense Minerals, Inc.

As explained in the legend and flow sheet recommended by Mr. G.W. Jarman, the sample was taken through the processing and refining state to isolate the pay minerals. Due to the sample being so small it was impossible to make a metallurgical balance.

The procedure in this dry method of gravity separation, electrostatic separation, and magnetic separation is dependent in some instances upon the collective building of a recirculating load. This is predominant in the low percentage pay materials. Also, in each instance, on each size, and on each concentration, there is a middlings that can be more properly handled, in a mill than on a small sample in the laboratory.

The laboratory procedure was as follows, on the samples listed below:

Sample No.	
532238	- Panned concentrates of bedrock
532235	- Cleaned Jig concentrates
532237	- No. 2 Jig concentrates
532236	- Jig residue from cleaned Jig concentrates
532789	- Jig bed concentrates
532234	- Humphrey splitters

Samples 532234, which was considered as tails (Lucius Pitkin showed extremely low values), was run first. It was put over the Air Table, with some loss to dust since the sample was extremely fine. Of the 5453 grams tabled 4 grams of heavies were recovered, and these 4 grams showed red flourescent and WO_3 content under the mineral light.

Samples 532789 (Jig bed concentrate), by chemical analysis showed the values to be in tin and WO_3. This sample was screened on a 20-mesh screen and under the dark light showed the WO_3 value of the sample to be in the -20 mesh. A hydrochloric powdered zinc test showed that the bulk of the tin was in the -20 mesh. The screen fraction of the 406 gram sample was 386 grams on 20 mesh, with 20 grams -20 mesh. The 386 gram fraction was not crushed as we wished tohandle the sample without crushing.

copy

The following samples were then combined:

Samples	532238	214 Grams
	532235	624
	532237	268
	532236	342
	532234	4
	532789	20
	Total	1472 Grams

Approx. 3.25 lbs recovered

The 1472 grams were then screened to -20/40, -40/65 and -65 fractions. Each fraction was put separately on the Air Table and a 426 gram tails was cut from the heavies and middlings; the remaining 996 grams was then passed over the Magnetic Separator at 0 amps, and 507 grams of highly magnetic material was removed. The remaining 489 grams were passed over the Magnetic Separator at 3 amps, with 82 grams magnetic and 407 grams nonmagnetic. The value in the 82 grams was CbTa and the red fluorescent mineral mentioned in Lucius Pitkin's report. A brush test on the Air Table gave us a contained CbTa 4.5 gram sample.

The remaining 77.5 gram fraction was passed over the Magnetic Separator at 3 amps, and a 4 gram sample of the red fluorescent was removed. This experiment proved that we had not cut deeply enough into the magnetic stream at the time of the previous separation. In other words, there apparently were three strams and we only cut the most magnetic of those fractions in the first separation, and in the repassage we cut the second stream.

The remaining 73.5 grams was combined with the 407 grams of nonmagnetic to give table backlog volume because the sample was so small. The 480.5 grams was passed over the Electrostatic Separator, producing 162.5 grams of nonconductors and 317.5 grams of conductors.

The 162.5 grams of nonconductors was passed over the Air Table and a WO_3 concentrate of 5.5 grams resulted. The 317.5 grams of conductors was passed over the Laboratory Air Table and a small concentrate of gold was recovered. Another pass on the table and an 11 gram concentrate of tin was removed. The 157 grams from the nonconductors and the 306.5 remaining grams from combined is the retained middlings.

With a larger sample the procedure in the above process for concentration may be slightly altered, but in essence the sample was handled with a view to concentration of values, leaving recovery percentage until a later date when more than a few grams can be handled. In general, we can report that the material responded as expected to the various stages of concentration and we believe the chemcial analyses will be of great interest. With larger samples, not only can purer concentrates be made but the volume of recovery can be ascertained.

James H. Moore

APPROVED:

G. W. Jarman

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
MAR 15 1956

224 New Customhouse
Denver 2, Colorado

March 15, 1956

Memorandum

To: E. O. Binyon

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-654 (Tin, Columbium-Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota - Monthly progress report and voucher for the period October 29-November 22, 1955

The subject operator has submitted revised Forms MF-104 for the period Oct. 29-Nov. 22, 1955 and has returned to us the completed Forms MF-104A which we requested in a letter to the operator dated February 29, 1956.

We are returning the following:

1) All copies of Form MF-104 and MF-104A, which require your review and signature.
2) One copy (original) of the Bureau Engineer's Narrative report.
3) One copy (original) of your transmittal memorandum.
4) One copy (original) of the Operator's Narrative Report including maps.
5) One copy of Engineer's Progress Report No. 2.
6) List of Documentation which was prepared in your office.

It will probably be necessary to revise the Bureau Engineer's narrative report and the transmittal memorandum in order to conform with the amounts claimed on revised Forms MF-104.

We request that you expedite the return of the above items as the operator has requested payment as soon as possible.

W. M. TRAVER

W. M. Traver

Enclosures

JDC:jy
cc: Corresp. E58
Sec. Op. Comm. (2)
Townsend
Chron.

3-14-56 Lyn

NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

RECEIVED
MAR 14 1956

118 East 40th Street.
March 10, 1956.

DMEA-654

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metal
DMEA
Dep't. of Interior
Washington, D.C.

Dear Mr. Ellis:

Thank you for sending a copy of the Form and the MF104 and 104A's. Enclosed ia an extra copy of report 2 which we have just redocumented in the hopes of receiving our revolving fund so urgently needed. (Report 2 closed November 22.) Also enclosed is an extra copy of the assays of the concentrates we were able to recover by process or panning before total freeze-up in November 1955. The Caisson Test Pit was located in the center of a gravel area representing at least 2 million cubic yards of gravel and the Test Pit was excavated where Mr. Knouse and later Mr. Atwater and Mr. Binyon directed. Report 3, Phase II should be in my hands within 5 days.

The work of the assays has taken a long while. Release of the concentrates was delayed because the assays prices were so high. Finally, Denver DMEA advised putting the cost overage into Contingency, providing our Corporation received bids from other assayers. We complied and got the Pitkin price down from $80.00 to $68.00 per assay. Then we realized Denver DMEA would not allow the cost of the gold assay becausethe gold was to have been removed and evaluated. As you see, the Pitkin assays report the gold value which would include some gold removable only by amalgamation.

We have always wanted to arrange for Separations Engineering Corporation to work on a sample of our concentrates. In a report now being prepared by Mr. James Moore of Separations Engineering Corporation it describes that one half of the concentrates recovered before freeze-up were left with Rapid City DMEA, one half was shipped to Lucius Pitkin. This firm removed one quarter, and sent three quarters of the one half to Separations. This firm protested the amount of materials, but did mix them all together and ran them over electro-static, electro-magnetic and air table. The firm members were surprised over the Tin and Gold content. The tin was then coated with the zinc hydrochloric acid test, the coarse gold removed. The scheelite and zircon were each separated in the last runs. Then Mr. Moore went away for 10 days, and when he returned the gold had disappeared from the container. The firm claims no weight was taken of the gold, but all along I had stressed that the gold removed would comply with our contract requirement which had been overlooked in South Dakota. Mr. Atwater had been present at Separations and had counted about 14 pieces of gold in the pan before removal. The separated gold in the container was impressive in ratio to the amount of the concentrate. The disappearance of the gold was extremely upsetting. I give you this detail exactly as I found

RECEIVED
MAR 14 1956

it because of lapse of time and the condition of the contract. In the event the Corporation needs an emended extension I herewith request it. I suggest the gold assay be accepted and included in the amendment. I believe report 3 will state the gold evaluation by assay will be $0.79 per C.Y. We believe that we will recover some free gold by dry method, the rest by amalgamation - when we produce commercially. Gold removed by panning is definitely only part of the gold contained and fine and flower gold is removable by amalgamation. This we proved in our pilot plant work in 1949 and we still have the amalgator.

I am sorry this has been a long story, but these are the facts. I urgently need 8 MF104's and 8 MF104A's for report 3.

Hoping to see you soon,

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

Peggy Keenan, President.

PK:ie
Enc: Lucius Pitkin assay
CC: Mr. R.M. Atwater
Mr. James Everett Bacon
Mr. G. Wallace Jarman

Surname copy

700

F. Knouse
Ellis
Chambers
Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 7 1956

Miss Peggy Eastman, President
Northwest Defense Minerals, Inc.
118 East 60th Street
New York City, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. [illegible]
Northwest Defense Minerals, Inc. (Assignee)
Eastman Properties
Lawrence County, South Dakota

Dear Miss Eastman:

In accordance with your telegraphic request received yesterday, enclosed are eight copies each of Forms 164 and 164a for your use in preparing your November, 1955, voucher.

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

Enclosures

FlKnouse/gla
3-7-56
cc to: Admr.'s Reading File
Docket
Code 700
Mr. Knouse
Contract Adm. & Audit Division
DMEA Field Team, Region III (2)

P.G.B.

Surname copy

700

F L Knouse
Ellis
Chambers
Mittenzwerf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

MAR 7 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York City, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Lim-458
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

This is with reference to your telephone call of March 5, 1956, concerning the preparation of Form MF-104 "Operator's Monthly Report and Voucher," and the collection of the amount due as DMEA's contribution for the work completed.

There are enclosed copies of the following:

1. Letter dated February 29, 1956, to Peggy Keenan, President, Northwest Defense Minerals, Inc., Standish Hotel, 45 East 61st Street, New York 24, New York, from W. N. Traver, Executive Officer, DMEA Field Team, Region III

2. Administrative Audit Difference Statement, dated November 28, 1955, to Northwest Defense Minerals, Inc., Spearfish, South Dakota. (R-IV-B & F Form No. 4)

We hope the above enclosures will enable you to prepare the forms requested by Mr. Traver.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FLKnouse/gla
3-6-56
cc to: Admr.'s Reading File
Contract Adm. & Audit Div.
(w/copy Mr.Traver's let. February 29, 1956)
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm.5224
DMEA Field Team, Region III (2)
Code 700
Mr. Knouse

R.C.S.

WESTERN UNION

[illegible] NEW YORK NY [illegible]

1956 MAR 6 PM 3 55

[illegible] ELLIS SCHEF [illegible] AND MISCELLANEOUS METALS
O E E A DEPT OF INTERIOR-PHONE REPUBLIC 7 1820
ENT 5999 MONDAY

PLEASE ALSO SEND EIGHT COPIES WHICH I WILL REDOCUMENT
REPORT AS I WILL INCLUDE REIMBURSABLE DOCUMENTS
MANDATED TELEPHONE.
[illegible] DEFENSE MINERALS INC PEGGY KEENAN PRES-

[illegible] 4 AM 5 42

RECEIVED
MAR - 6 1956

1270 (1-51)

FILE C...
Surname:
FLKnouse
700
Chambers
Selfridge
Stottenberg

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR

MAR - 1 1956

DMEA
14X4401(01) Revolving Fund,
Defense Production Act,
Interior, (Allocated Working Fund to the
Office of the Secy.)

T E L E T Y P E

W. M. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
204 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURTT FEBRUARY 29, DOCKET DMEA 654 NORTHWEST DEFENSE MINERALS, INC., CATEGORIES 4 THROUGH 8 PER AMENDMENT 3 IF APPLICABLE ARE ALLOWABLE IN ADDITION TO ACTUAL COST OF TEST PITTING NOT EXCEEDING $25 PER FOOT PER AMENDMENT 11. SUGGEST THAT TEST PIT COST BE CHECKED BY AUDITOR PRIOR TO PAYMENT IF DOUBT EXISTS CONCERNING ACTUAL COST.

George C. Selfridge (GCS)
GEORGE C. SELFRIDGE
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/izm 3-1-56

cc to: Docket
Code 700
Admr.'s Reading File
Operating Committee
Mr. Knouse
Confirmation to Region III
Messrs. AReniek, 3624
THKiilsgaard, 5224

R.G.S.

DOCKET COPY

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
MAR - 5 1956

224 New Customhouse
Denver 2, Colorado

AIR MAIL

February 29, 1956

Peggy Keenan, President
Northwest Defense Minerals, Inc.
Standish Hotel
45 West 81st Street
New York 24, New York

Re: Docket DMEA-654X (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58, Rawlins Mining District, Lawrence County, South Dakota

Dear Miss Keenan:

We are returning all signed copies of Form MF-104A for the period October 29-November 22, 1955, which were submitted in blank with your request that they be filled out by Mr. Binyon's office. Completing these forms is entirely the responsibility of the operator.

It will not be possible to process the November voucher, or any subsequent vouchers for which Forms MF-104A have not been properly completed; therefore, we request that the November forms be filled out by your company and returned to this office as soon as possible. It is a DMEA regulation that Forms MF-104 and MF-104A must be in agreement as to the amount of project costs.

As it has been determined that a breakdown of Phase I costs is not required, we suggest that you continue the same method that you used in completing the October 1955 Forms MF-104A, deleting all amounts which were disallowed from the October voucher.

In reference to your reclaim for costs which were disallowed from the October 1955 voucher, we must have the original of R-IV-B and F Form No. 4, Administrative Audit Difference Statement, which was mailed to you by the Finance Office on November 28, 1955. Please include this item when you return the completed Forms MF-104A.

Very truly yours,

W. M. TRAVER

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

Enclosures
JDC:jy
cc: Corresp. E58
Sec. Op. Comm. (2)
Binyon
Townsend
Cooper
Chron.

FILE COPY
Surname:
FLKnouse
Alt
Chambers
Horn
KBlegsgaard
GCSelfridge
Tyler
Mattendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR

FEB 2 . 1956

DMEA
14X4401(01) Revolving Fund, Defense Production Act, Interior, (Allocated Working Fund to the Office of the Secy.)

TELETYPE

W. M. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REWRTT FEBRUARY 28, DOCKET DMEA 654 NORTHWEST DEFENSE MINERALS, INC. JANUARY 1, 1956 IS COMPLETION DATE PROJECT WORK EXCEPT ANALYTICAL AND METALLURGICAL WORK SEE AMENDMENT NO. 9. CONTRACT CAN BE AMENDED Rec'd TO EXTEND COMPLETION DATE IF FOR BEST INTEREST OF GOVERNMENT. CATEGORIES 4 THROUGH 8 AMENDMENT NO. 3 APPLY TO WORK PERFORMED PRIOR TO JANUARY 1. ~~EXCEPT AS MODIFIED BY AMENDMENTS NOS. 10 AND 11.~~

George C. Selfridge

GEORGE C. SELFRIDGE (26)
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/izm 2-29-56
cc to: Docket
Code 700
Admr.s's Reading File
Operating Committee
Mr. Knouse
Confirmation to Region III
Messrs. ARenick, 3624
TMKiilsgaard, 5224

R.C.S.

Mr. George Selfridge

RECEIVED
MAR - 1 1956

DN 235 BUR MINES 2-29-56 4-13

CHAIRMAN, OPERATING COMMITTEE, DMEA

REOURTT FEBRUARY 28 YOUR TT REPLY FEBRUARY 29, DOCKET DMEA 64XXXX DMEA 654, NORTHWEST DEFENSEMINERALS, INC., CONTRACT IDM-E58. THIS OFFICE DOES NOT RECOMMEND EXTENSION OF COMPLETION PERIOD TO PERMIT ADDITIONAL WORK TO BE PERFORMED. A QUESTION AS TO ALLOWABILITY OF CATEGORIES 4 THROGXX THROUGH 8 OF AMENDMENT NO. 3 ARISES IN PROCESSING OPERATOR,S REPORT FOR NOVEMBER 1955, AND IT APPEARS TEXX THERE MAY BE A POSSIBLE CONFLICT WITH MAXIMUM COST ESTABLISHED UNDER ITEM 2 OF AMENDMENT NO. 11, SINCE CHARGES FOR CATEGORIES 4 THROUGH 8 FOR THE MONTH OF NOVEMBER WOULD BE INCIDENT TO SOLE OPERATION OF TEST PITTING ON ACTUAL COST BASIS FOR THAT MONTH. PLEASE TT FURTHER ADVICE AS TO ALLOWABILITY OF CATEGORIES 4 THROUGH 8 IN ADDITION TO MAXIMUM ALLOWABLE UNIT COST ESTABLISHED IN AMENDMENT NO. 11.

W M TRAVER

Denver, Colo.

MAR 1 8 40 AM '56
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

Mr George Selfridge

X.C.G.

RECEIVED

FEB 28 1956

DN 235 BUR MINES 2-28-56 10-17

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE NORTHWEST DEFENSE MINERALS, INC., DMEA 654X, CONTRACT IDM E58. PLEASE ADVISE WHETHER CATEGORIES 4 THROUGH 8 OF AMENDMENT NO. 3, EXHIBIT A ARE STILL APPLICABLE IN addition TO THE MAXIMUM UNIT COST OF TEST PITTING STIPULATED IN AMENDMENT NO. 11, PARAGRAPH 2.

W M TRAVER

Denver, Colo.

Copy made to 700

FEB 28 12 46 PM '56

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

700

FILE COPY
Surname:
F L Knouse
Ellis
Mittendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

FEB 21 1956

Mr. Eugene R. Caprio
Molly Corporation
Chrysler Building
405 Lexington Avenue
New York 17, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-458
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Caprio:

This will acknowledge receipt of your letter dated February 14, 1956, concerning the subject exploration project.

It is noted that you desire a copy of the Operator's report and results for Phase I of the exploration project. If you will obtain formal authorization from Miss Keenan to show you this report, the report could be shown to you in this office. However, we will not be able to send it to you.

When the Operator's examining engineer's report was received, a copy was loaned to Miss Keenan so that copies could be made for the Operator's file.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FLKnouse/gla/izm 2-20-56
cc to: Docket
Code 700
Mr. Knouse
Admr.'s Reading File
Miss Peggy Keenan
ARenick, Rm. 3624
DMEA Field Team, Region III (2)

P.C.R.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

February 15, 1956

Memorandum

To: Miss Curtin, Statistics and Control Division, DMEA

From: Hazel Berry, Operating Committee, DMEA
Cy257

Subject: Amendments to Contracts

Attached are the following docket copies of amendments to contracts which have been reviewed and approved by the Commodity Divisions, Contract Administration and Audit Division, and the Legal Division. The official dockets are also attached.

Northwest Defense Minerals, Inc., DMEA-654X, Idm-E58, Amendment No. 12.

American Machine and Metals, Inc., DMEA-3076, Idm-E591, Amendment No. 5.

Shasta Copper & Uranium Co., Inc., DMEA-3590, Idm-E803, Amendment No. 1.

W. A. Greene, DMEA-3743, Idm-E888, Amendment No. 1.

Attachments-4

2-15-56 lgm

Holly Corporation

SUBSIDIARIES
Renown Corporation
General Powdered Metal Products, Inc.
Amcoin Corporation
Dearborn Oil & Gas Corporation:
Evansville, Indiana
Bartlesville, Oklahoma
DIVISIONS
Pine Meadow, Connecticut
Princes Bay, Staten Island
AFFILIATED COMPANY
Holly Uranium Corp.

CHRYSLER BUILDING
405 LEXINGTON AVENUE
NEW YORK 17, N. Y.
MURRAY HILL 6-3560

February 14, 1956 Dmea-654

Defense Minerals Exploration Administration
Washington 25, D. C.

RECEIVED
FEB 15 1956

Dear Sirs:

Several weeks ago our company received a submittal on a tin-gold-columbium-tantalum-tungsten property in the Tinton area of Lawrence County, South Dakota. The owners informed us that a D M E A exploration contract had been negotiated for work on this property and that phase one was already completed. Phase two is now in progress but temporarily suspended pending more favorable weather conditions.

The holders of this exploration contract are known as the Northwest Defense Minerals, Inc., Spearfish, S. D., and Miss Peggy Keenan is in charge. Miss Keenan informed us that the number of their contract was Idm E-58, Docket No. DMEA 654X. The owners were able to show us the results of the work completed to date on phase two of the project; however, they told us that the results and reports for phase one (on Potato and Bear Creeks) were still in your hands. Could you notify us if this is the case and also whether it would be possible to receive any of this information so that we might better evaluate the reports and maps presented to us.

If you desire any more data concerning the exact description of this property, we will be most happy to forward it as soon as possible.

Your kind assistance in this matter is deeply appreciated.

Very truly yours,

Eugene R. Caprio

Eugene R. Caprio

ERC/jw

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
FEB - 3 1956

224 New Customhouse
Denver 2, Colorado

January 31, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin-Columbium-Tantalum-Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

In conjunction with matter discussed in your teletype of November 18, 1955 we are enclosing the original and two copies of Amendment No. 12 to Contract Idm-E58 which has been executed to modify the description pertaining to the plant that will be used in concentrating metals and minerals obtained from the material obtained from the test-pitting operations.

Also enclosed are four copies of a memorandum from S. M. Runke dated November 22, 1955 relative to the proposed concentrating plant. Copies of the amendment have been given to the Operator, Finance Office, Region III and distributed to other offices concerned.

W. M. Traver

Enclosures

7

1-17-56 lzm

NORTHWEST DEFENSE MINERALS, INC.

Spearfish, South Dakota.

118 East 40th, St.
New York City, N.Y.

January 11, 1956

RECEIVED

JAN 17 1956

Mr.W.M. Traver, Executive Officer
DMEA Field Team Region 3.
Department of the Interior
224 New Courthouse Building
Denver, Colorado.

Subject: Contract Idm E-58
Project 654X

Dear Mr. Traver:

Your letter dated January 4, 1956 received. With reference to Disallowances Report I:

Item 2. "Truck Rental":

Two months before Phase II work began, Northwest Defense Minerals, Inc. purchased a Dodge ½ Ton Pick-up truck suitable and for the purpose of transporting the excavated gravel to the mill, etc. No truck could be made available in the area for that type of work at the contract rate of $160 per month. The Operator was not aware that Corporation-owned equipment was an excluded item in the contract, in fact, the Operator had been advised otherwise.

In Report I. Gas and Oil items were re-imbursed to the Corporation. The Operator was advised that "no repairs will be allowed." Now you advise that minor repairs and operating expenses may be allowed. Out of the confusion I will try to document, and where some voucher slips are not available I am leaning the DMEA cancelled checks of the Corporation to be evidence as vouchers. In Phase I. cancelled checks were accepted as vouchers. The following paid items have not been submitted previously and document the truck for Report 1 and Report II, except the Gas and Oil accounts.

1.	Essentials purchased with which to operate truck in mud, gravel, deep snow, steep grades ice and frozen streams during Phase II.	$ 58.15
2.	Used storage battery purchased late September for Phase II	12.88
3.	Repair both rear springs broken hauling through Creek beds in October. Bill not paid until December 3, 1955.	40.60
4.	Depreciation on 1953 ½Ton Dodge Pick-up, September (Commissary preparation, hauling supplies, wood etc.) October, November. (Amendment 10 reads from September on)	149.38
		$ 261.01

Item 3. "COOK AND FOOD":

1. Wood Range - (cancelled check)	$25.00
2. Additional Cooking utensils.	17.50
3. Labor cutting, hauling & splitting wood supplies for cook ranges and heating cabins September preparation (Amendment 10)	
(a) Truck expense gas, oil.	35.00
(b) Wm.R.Rummans $50. week - 2 weeks	100.00
4. Cleaning bedding & preparing cabins	15.00
5. Gasoline for light plant, bulbs, miscellaneous items for water and bathing.	10.00
	$ 202.50

Food & Supply Vouchers, Report I. $ 170.42

Supplementary PROGRESS REPORT 2.

Commissary Cook & Food:

1. See attached Ruth Rummans,	Cook Salary	$ 204.51
	2% Tax	4.09
2. See attached Food and Supplies		$ 226.57

SUMMARY:

Truck	$ 261.01
Supplies, Cook and Food	202.50
Report I Food Supplies	170.42
Report II Food	226.57
Report II Cook	204.51
Tax	4.09
TOTAL	$1069.10

cc: Mr.E.O. Binyon

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.
Peggy Keenan, President
Peggy Keenan, President.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

January 5, 1956

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654 (Tin-Columbium-Tantalum-Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

Enclosed are the Government's, Division, and Docket copies of Amendment No. 11 to Contract Idm-E58, which was forwarded by your letter of December 16, 1955, for signature by the Operator.

Copies of the Amendment have been given to the Operator, Finance Office, Region III, and distributed to other offices concerned.

W. M. Traver

W. M. Traver

Enclosures

RECEIVED
JAN 9 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

January 4, 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Standish Hotel
45 West 81st Street
New York 24, New York

Re: DMEA Docket No. 654X
Contract Idm-E58
Rawlins Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter dated December 7, 1955 in which you requested clarification of the contract price for analyses of samples. The price mentioned in your letter is $80.00 per analysis for Tin, Columbium-Tantalum, Tungsten and Gold. This price was quoted by the Lucius Pikkin Company of New York. Incidentally, no allowance is made in the contract for Gold analyses.

The unit cost stipulated in Amendment No. 3 to the contract is not the maximum allowable cost per sample. If necessary, funds to cover excess costs of analysis can be drawn from the "Contingencies" allowance or from the allowance for any non-limited item which has not been spent in full.

It is requested that bids be obtained from a number of reputable analytic laboratories in order to take advantage of the lowest price for satisfactory work.

Very truly yours,

W. M. Traver

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JDC:jy
cc: Sec. Op. Comm. (2)
Corresp. E58 w/orig. of W. O. let of 12-29-55
Harshman) w/copy W. O. let. of 12-29-55
Binyon)
Townsend) Cooper Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

January 4, 1956

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
118 East 40th Street
New York City, New York

Re: DMEA Docket 654X
Contract Idm-E58
Rawlins Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letters dated December 14, 1955, December 27, 1955 and December 30, 1955 wherein you request reinstatement of certain amounts disallowed from your voucher for the month of October, 1955. The items will be taken up separately and in detail.

1. Disallowance for "Test Pit" work

Amendment No. 11 to the contract allows Northwest Defense Minerals, Inc. to perform the test pit sinking on company account rather than by independent contract. The maximum allowable cost remains unchanged, as does the requirement that acceptable documentation be submitted with the original voucher or reclaim. To date such documentation has not been received; therefore, payment cannot be made.

2. Disallowance of "Truck Rental"

As we stated in our letter to your company dated November 23, 1955, company owned equipment cannot be charged on a rental basis. If the contract should be amended to allow it,

you can claim depreciation of the truck on a monthly basis. In addition, you can claim the actual operating expenses, including gas, oil and minor repairs if the costs are properly documented. Request for the amendment would have to be submitted to the Government by your company.

3. Disallowance for "Cook and Food"

The amount of $120.00 for Cook Salary was allowed on the October, 1955 voucher and payment for 90 percent of this amount was made to your company. An amount of $130.00 was disallowed because the documentation for food purchases was not itemised. This amount is subject to reclaim when itemised documentation is presented.

In your letter of December 14, 1955 you request payment at the rate of $8.00 per man day and submit a list showing 140 man days. We accept the tally of man days as correct. However, as stipulated in Amendment No. 3 (clarified by Amendment No. 10) payment will be made on the basis of the actual costs of "Meals and Quarters", not to exceed $8.00 per man per day. This does not mean that the maximum allowable cost can be claimed when the actual cost is less than the maximum. Complete documentation must accompany any supplemental claims.

Very truly yours,

W. M. Traver

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

JDC:jy
cc: Corresp. E58 w/orig. of Operator's letters
Sec. Op. Comm. (2))
Harshman) w/copies Operator's letters
Binyon)
Townsend)
Cooper
Chron.

NORTHWEST DEFENSE MINERALS, INC.
Spearfish, South Dakota

Office of the
President

BUREAU OF MINES
Denver, Colorado

118 East 40th. Street
New York City, N.Y.
December 14, 1955.

Mr. W.M. Traver, Executive Officer
DMEA Region III
Department of Interior
224 New Customhouse Bldg.
Denver, Colorado

Dear Mr. Traver:

With reference to the letter signed by Mr. J.W. Townsend, dated November 23, 1955:

Disallowance (a) "Test Pit Caisson", - we are advised that there may be an amendment to clarify this item and we will contact you at that time.

Disallowance (b) "Rental Truck" -- Please refer to Amendment 3, Exhibit "A", "Estimated Costs of the Project", Item#6, to be rented:

1. Pick-up truck @ $160.00 a month, 3½ months, includes all repairs, total $560.00.

Please re-instate this claim on report 1 MF104, exactly as per contract, and send check to cover for $160.00.

Disallowance (c) "Cook and Food" Item #7 under Miscellaneous, "Meals and Quarters", with reference to the disallowance of $136.00 for food: Please also disallow $120.00 cook's salary already reimbursed. Please refer to Amendment 10 clarifying the subject: Amendment 10 changes the $8.00 a day to $8.00 a man day. Please be advised that the claim is for 140 man days retroactive, and this claim is $1130.00. The following is the man day record:

Gus Nemitz	28	man	days
R.M. Atwater Jr., Supervising Engineer	14	"	"
Allison Kohler, Miner	17	"	"
Arthur Bailie, Miner	16	"	"
John W. Mac Donald, Miner	1	"	"
Wm. H. Rummans, Truck Driver	32	"	"
Ruth Rummans, Cook	32	"	"
	140	"	"

Please send check for a total of $1290.00. We request that you expedite the transaction.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan President

Peggy Keenan, President.

New York address

cc Mr. E.O. Blayer

DMEA
Date Rec'd
DEC 29 1955
BUREAU OF MINES
Denver, Colorado

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

118 East 40th. Street
New York City, N.Y.

December 27, 1955.

Mr. W.M.Traver, Executive Officer
DMEA Field Team Region III
Department of Interior
224 New Customhouse Bldg.
Denver, Colorado

Re: Docket DMEA 654x Tin, Columbium-Tantalum, Tungsten. Contract Idm E-58.

Dear Mr. Traver:

We are in receipt of the Amendment 11 to Contract Idm E-58. Copies have been signed by an executive officer of our Corporation and forwarded to your office under separate cover.

As this clarifys the authority of the operator to perform the work of sinking the test pits, please forward our reimbursement for $456.25 less 10% which was disallowed for work accomplished Sept.27th. to Oct.28th. 1955 by the operator.

Yours very truly

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan President

Peggy Keenan, President

PK:ie

Central Admin. & Audit Division

UNITED STATES Defense Minerals Exploration Admin.
DEPARTMENT OF THE INTERIOR 14X4401(01) Revolving Fund,
DEFENSE MINERALS EXPLORATION ADMINISTRATION Defense Production Act, Interior (Allocated
WASHINGTON 25, Pooling Fund to Office of the Secretary)

~~[illegible]~~

Fisher
Ellis
Selfridge
Mittenday

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
XBA New Customhouse Building
Denver 2, Colorado

DEC 29 1955

to the applicant,

Resyle: December 16, 1955, Northwest Defense Minerals, Inc., Docket DMEA-651I, Idn-258. It is not a prerequisite to payment that units of work and costs under Phase 1 be brought forward on Form 104 and 104A under Phase 2 which should be paid if otherwise acceptable, in this case.

George C. Selfridge
Chairman, Operating Committee (JHB)

CEFisher/wb
December 29, 1955

Copy to: Docket
Admr. Reading File
Operating Committee
Mr. Renick, Rm. 3624
Mr. Kiilsgaard, Rm. 5224
Mr. Ellis
Mr. Chambers
Confirmation

R.S.G.

Surname copy

700

F L Knouse
Selfridge
Johnson
Mitchell

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEC 29 1955

Mr. E. H. Marshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-258
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Marshman:

This is with reference to your memorandum of December 19, 1955, in which you request to know if the amount of $25.00 is the maximum the Government will contribute to per sample to chemically analyze for tin, columbium-tantalum, and tungsten. Please note the contract requires the Operator to recover the gold from the concentrate, but does not require assaying for gold.

The amount of $25.00 per sample is not an allowable maximum for the analyses, and item (8) Contingencies, or non-limited items if not spent in full, may be drawn on for any excess. However, we suggest that the Operator be requested to obtain bids for this work from other reputable laboratories capable of doing satisfactory work.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

FLKnouse/gla
12-27-55

APPROVED:

/s/ Robert W. Geehan (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse

KGS

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

December 28, 1955

Memorandum

To: E. O. Binyon

From: Executive Officer, DMEA Field Team, Region III

Subject: DMEA Docket 654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

Reference is made to your memorandum dated December 22, 1955 wherein you request information regarding the subject Operator's payroll for the month of October. The original payroll slips included in the October report show labor payments through October 22 and October 23 so there is apparently no duplication in the Operator's November Monthly report. If you still need copies of the October payroll and time slips, we will have them prepared for you on request.

W. M. Traver

JDC:jy
cc: Corresp. E58
Sec. Op. Comm. (2) w/copy Binyon's memo
Chron.

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

December 22, 1955

Memorandum

To: E. N. Harshman, Acting Exec. Officer, DMEA Field Team, Reg. III

From: E. O. Binyon

Subject: Monthly Progress Report, Docket DMA 654X (Tin, Columbium-Tantalum, Tungsten) Contract Idm E58, Northwest Defense Minerals Inc., Lawrence County, South Dakota

The operator has submitted the Monthly Progress Reports covering work completed under the contract during the period October 29 through November 24. In this report a claim is made for labor which starts with the week beginning October 23, and this I believe is an overlap of a part of the labor claim made in the October reports.

As all papers, invoices, payroll sheet and weekly payroll slips were forwarded to your office with the October report, I have no record whatever in this office and therefore no way of checking the apparent overlap. The only data I have is the copy of the October Monthly Report, on which an allowance of $321.02 was made for labor for handling and storage of samples for the period covered by the report.

Would you please send a copy of the original of the October payroll with the weekly time slips, so that the current report can be checked.

E. O. Binyon

cc: Harshman (2)
files

See Ogl. Comm

12/28/55

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOL
DL=Day Letter
NL=Night Letter
LT=International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

PA044

P NB0122 NL PD=NEW YORK NY 27=
ERNEST WILLIAM ELLIS=
CHIEF OF DMEA ~~FONE REPUBLIC 7-1820 EXT 5295~~
DEPT OF INTERIOR WASHDC=
PHASE TWO OF CONTRACT IDME58 IS IN SUSPENDED STATE DUE TO FROZEN GRAVEL AND WATER FIVE SAMPLES WERE RECOVERED IN MILL PROCESS BEFORE FREEZING ALL OTHER GRAVEL AND CHURN DRILL CUTTINGS IN NDM INC. MILL FIVE SAMPLES AT LUCIUS PITKIN WAITING PERMISSION TO PAY EIGHTY DOLLARS PER ASSAY DENVER DMEA DEMANDS PHASE ONE UNIT MUST BE

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

CLASS OF SERVICE

This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION

TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS

DL = Day Letter

NL = Night Letter

LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

PA044

1975 DEC 28 AM 5 0

P NB0122/2=

DOCUMENTED IN REPORT TWO, PHASE TWO. PLEASE ASK MR TALBERT OR MR KNOUSE TO ADVISE ME BY PHONE HOW TO PROCEED OUR FINAL PHASE ONE RECORD INCOMPLETE=

NORTHWEST DEFENSE MINERALS INC PEGGY KEENAN

MURRAY HILL 5-1000.=

Geo

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

RECEIVED
DEC 28 1955

118 East 40th. Street
New York City, N.Y.

December 27, 1955.

Mr. W.M.Traver, Executive Officer
DMEA Field Team Region III
Department of Interior
224 New Customhouse Bldg.
Denver, Colorado

Re: Docket DMEA 654x Tin, Columbium-Tantalum, Tungsten. Contract Idm E-58.

Dear Mr. Traver:

We are in receipt of the Amendment 11 to Contract Idm E-58. Copies have been signed by an executive officer of our Corporation and forwarded to your office under separate cover.

As this clarifys the authority of the operator to perform the work of sinking the test pits, please forward our reimbursement for $456.25 less 10% which was disallowed for work accomplished Sept.27th. to Oct.28th. 1955 by the operator.

Yours very truly

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan President

Peggy Keenan, President

PK:ie

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
DEC 22 1955

224 New Customhouse
Denver 2, Colorado

December 19, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin-Columbium-Tantalum-Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

Enclosed are two copies of the Operator's letter of December 7, 1955, relative to the matter of assaying samples obtained from work under the subject contract. It states in the fourth paragraph of the letter that the corporation cannot be obligated on a questionable price (in excess to that provided in the contract) until the subject has been clarified as reimbursable.

Under the provisions of Exhibit "A" Amendment attached to Amendment No. 3, the amount of $25.00 is established as the unit price per sample for analytical work. The amount of $25.00 is not indicated as an allowable maximum. However, we are in doubt as to how to interpret it inasmuch as the contract form itself does not define the charges as indicated under Category (7) Miscellaneous of the Amended Exhibit "A".

When you have reviewed the matter, please advise us of your interpretation of the contract regarding the matter of analytical work for our information in replying to the Operator.

Also enclosed are two copies of a letter from this office to the Operator, dated December 16, 1955, forwarding a copy of the MF-104 report requested in the last paragraph of the Operator's letter of December 7, 1955.

E. N. Harshman

Enclosures

E. N. Harshman

COPY

NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

RECEIVED
DEC 22 1955

December 7, 1955

Mr. W. M. Traver, Executive Officer, DMEA
Department of Interior
224 New Customhouse Bldg.
Denver, Colorado

Subject: Project 654X
Contract Idm-E58

Dear Mr. Traver:

With reference to the assayer for the Northwest Defense Minerals, Inc. part of the sampling of the gravels in Phase II:

The project engineer recovered ten samples of concentrates from the process run on the Bear Creek Test Pit gravel. Ten samples, or a split half of each sample have been delivered to Mr. E. O. Binyon. Upon inquiry, the best price of assay per sample for Tin, Columbium-Tantalum, Tungsten and Gold is $80.00 per sample. With reference to Amendment 3, "Exhibit "A" of the Contract Idm E - 58, Project DMEA 654X, the allowance per sample is $25.00. This price was based on a Phase I price agreed upon by an assayer because the gross number of seventy samples were agreed by contract to be sent to him. This price of $25.00 is no longer available.

The project engineer has agreed that 5 of the 10 samples referred to as "Splitter" from the Humphrey Spiral unit should be combined, but requests the other 4 samples be assayed separately. That leaves 5 samples to be assayed.

I have advised the Lucius Pitkin Co. of New York that the maximum we can pay for 5 samples is $50.00 each and am trying for that figure. However, whether the price is $50.00 or $80.00 per sample, the Corporation cannot be obligated on a questionable price until the subject has been clarified as reimbursable.

Will you kindly send me a copy of the last Phase I 1951 settlement MF184 and MF184A, as it was settled in Washington, D. C. in 1952? Our copy is in files inaccessible now in another city.

The answer to your disallowances on Report I, Phase II is being prepared and will be sent under separate cover. Thanking you for all courtesies,

Yours very truly

NORTHWEST DEFENSE MINERALS, INC.

/S/ PEGGY KEENAN

Peggy Keenan, President

PK:ie

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

December 16, 1955

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket DMEA 654X
Contract Idm-E58
Rawlins Mining District
Lawrence County, South
Dakota

Dear Miss Keenan:

In response to your letter of December 7, 1955 we are enclosing a photocopy of your Form MF-104, Operator's Monthly Progress Report for the period September 16-30, 1951. There was no separate Form MF-104A in use at that time.

In arriving at the units of work performed under Phase 1 of the contract you will have to consult your company records as the units were not carried forward on the MF-104 form. It is necessary, and a prerequisite to payment, that the units of work and costs be brought forward in the next Monthly Report submitted by Northwest Defense Minerals, Inc.

Yours very truly,

E. N. Harshman

E. N. Harshman
Acting Executive Officer, DMEA
Field Team, Region III

Enclosures
JDC:jy
cc: Corresp. E58
Sec. Op. Comm. (2)
Harshman Chron.
Binyon
Townsend

12/16/55 glc

RECEIVED
DEC 15 1955

December 7, 1955.

Mr. W.M. Traver, Exceutive Officer
DMEA
Department of Interior
224 New Customhouse Bldg.
Denver, Colorado

Subject: Project 654x
Contract Idm - E58

Dear Mr. Traver:

With reference to the assayer for the Northwest Defense Minerals, Inc. part of the sampling of the gravels in Phase II:

The project engineer recovered ten samples of concentrates from the process run on the Bear Creek Test Pit gravel. Ten samples, or a split half of each sample have been delivered to Mr. E.O. Binyon. Upon inquiry, the best price of assay per sample for Tin, Columbium-Tantalum, Tungsten and Gold is $80.00 per sample. With reference to Amendment 3, "Exhibit "A" of the Contract Idm E - 58, Project DMEA 654x, the allowance per sample is $25.00. This price was based on a Phase I price agreed upon by an assayer because the gross number of seventy samples were agreed by contract to be sent to him. This price of $25.00 is no longer available.

The project engineer has agreed that 5 of the 10 samples referred to as "Splitter" from the Humphrey Spiral unit should be combined, but requests the other 4 samples be assayed separately. That leaves 5 samples to be assayed.

I have advised the Lucius Pitkin Co. of New York that the maximum we can pay for 5 samples is $50.00 each and am trying for that figure. However, whether the price is $50.00 or $80.00 per sample, the Corporation cannot be obligated on a questionable price until the subject has been clarified as reimbursable.

Will you kindly send me a copy of the last Phase I 1951 settlement MF104 and MF104A, as it was settled in Washington, D.C. in 1952? Our copy is in files inaccessible now in another city.

The answer to your disallowances on Report I, Phase II is being prepared and will be sent under separate cover. Thanking you for all courtesies,

Yours very truly

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

Surname copy

Knouse (GCS) 700
Ellis
Fisher
Selfridge
Gleason
Mottendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEC 16 1955

Mr. W. H. Travar
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Ida-458
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Travar:

There are enclosed for execution the original and five copies of Amendment No. 11 to the subject contract, signed by the Administrator. Two extra copies of this amendment are also enclosed for the Field Team's use. This amendment was prepared to clarify the questions raised in Mr. Townsend's memorandum of November 23, 1955.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GB)

Enclosures

APPROVED:

/s/ Robert W. Geehan (GB)
Member, Bureau of Mines

Thor H. Kiilsgaard (GB)
Member, Geological Survey

FLKnouse/gla
12-8-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse

RS.

Government's copy

AMENDMENT NO. 11
to
EXPLORATION PROJECT CONTRACT Idm-E58 (DOCKET NO. DMEA-654)
between
UNITED STATES OF AMERICA
and
NORTHWEST DEFENSE MINERALS, INC. (Assignee)

It is agreed this _____ day of _____, 1955, that Contract Idm-E58 (Docket No. DMEA-654) as amended, is further amended effective as of September 22, 1955, as follows:

I. The Operator may elect to perform some or all of the work of sinking the 9 test pits authorized under Exhibit "A" attached to Amendment No. 3 dated October 28, 1952, either itself, or through independent contractors. The said work includes washing excavated material, concentrating contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals, and separating the free gold from the concentrates.

II. ~~In the event that~~ Irrespective of whether the aforesaid work is done ~~through~~ under independent contractors, or by the Operator itself, the ~~allowable~~ maximum amount to which the Government will contribute shall be ~~as set forth in the~~ the actual cost, but not in excess of $25 per foot, for sinking not more than 9 test pits with a total footage of not more than 180 feet. The total maximum allowable cost for this work shall be $4,500. second paragraph of Item (1) under the heading "Estimated Costs of the Project," in Exhibit "A" attached to the aforesaid Amendment No. 3, is deleted.

III. In the event that the aforesaid work is done by the Operator itself, the allowable maximum to which the Government will contribute shall be the sum of the following:

(a) $25.00 per foot, which shall include all costs of labor, supplies, and rental of equipment.

(b) All costs, subject to the allowable maximums, set forth in Items (4), (5), (6) and (7) under the heading "Estimated Costs of the Project" in Exhibit "A" attached to the aforesaid Amendment No. 3, which are necessarily incurred by the Operator for the following items required in the performance of work in sinking the test pits;

(i) transportation of equipment and supplies;

¶ III. The

(ii) gasoline and lubricants to pump water for the washing plant and operation thereof for the purpose of concentrating the material from the test pits;

(iii) meals and quarters for the workmen and supervisor; and

(iv) supervision.

IV. No payment shall be made for any part of the aforesaid work on any test pit until the particular test pit shall have been completed.

V. The labor schedule for said work is waived.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the allowable maximum cost of any item of work, or the agreed unit cost of any item of work.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration
Administration

NORTHWEST DEFENSE MINERALS, INC. (Assignee)

By _____

Division copy

AMENDMENT NO. 11
to
EXPLORATION PROJECT CONTRACT I&m-858 (DOCKET NO. DMEA-654)
between
UNITED STATES OF AMERICA
and
NORTHWEST DEFENSE MINERALS, INC. (Assignee)

It is agreed this _____ day of _____, 1955, that Contract I&m-858 (Docket No. DMEA-654) as amended, is further amended effective as of September 22, 1955, as follows:

I. The Operator may elect to perform some or all of the work of sinking the 9 test pits authorized under Exhibit "A" attached to Amendment No. 3 dated October 28, 1952, either itself, or through independent contractors. The said work includes washing excavated material, concentrating contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals, and separating the free gold from the concentrates.

II. In the event that the aforesaid work is done through independent contractors, the allowable maximum amount to which the Government will contribute shall be as set forth in the second paragraph of Item (1) under the heading "Estimated Costs of the Project, in Exhibit "A" attached to the aforesaid Amendment No. 3.

III. In the event that the aforesaid work is done by the Operator itself, the allowable maximum to which the Government will contribute shall be the sum of the following:

(a) $25.00 per foot, which shall include all costs of labor, supplies, and rental of equipment.

(b) All costs, subject to the allowable maximums, set forth in Items (4), (5), (6) and (7) under the heading "Estimated Costs of the Project" in Exhibit "A attached to the aforesaid Amendment No. 3, which are necessarily incurred by the Operator for the following items required in the performance of work in sinking the test pits;

(i) transportation of equipment and supplies;

(ii) gasoline and lubricants to pump water for the washing plant and operation thereof for the purpose of concentrating the material from the test pits;

(iii) meals and quarters for the workmen and supervisor; and

(iv) supervision.

IV. No payment shall be made for any part of the aforesaid work on any test pit until the particular test pit shall have been completed.

V. The labor schedule for said work is waived.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the allowable maximum cost of any item of work, or the agreed unit cost of any item of work.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration
Administration

Andrutz Dunyer 12/7/55
"Appd. Sol. Off."
F R Kramer
Ellis
Fisher

NORTHWEST DEFENSE MINERALS, INC. (Assignee)

By _____

Docket copy

AMENDMENT NO. 11
to
EXPLORATION PROJECT CONTRACT IDm-K58 (DOCKET NO. DMEA-654)
between
UNITED STATES OF AMERICA
and
NORTHWEST DEFENSE MINERALS, INC. (Assignee)

It is agreed this _____ day of _____, 1953, that Contract IDm-K58 (Docket No. DMEA-654) as amended, is further amended effective as of September 22, 1953, as follows:

I. The Operator may elect to perform some or all of the work of sinking the 9 test pits authorized under Exhibit "A" attached to Amendment No. 3 dated October 28, 1952, either itself, or through independent contractors. The said work includes washing excavated material, concentrating contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals, and separating the free gold from the concentrates.

II. In the event that the aforesaid work is done through independent contractors, the allowable maximum amount to which the Government will contribute shall be as set forth in the second paragraph of Item (1) under the heading "Estimated Costs of the Project," in Exhibit "A" attached to the aforesaid Amendment No. 3.

III. In the event that the aforesaid work is done by the Operator itself, the allowable maximum to which the Government will contribute shall be the sum of the following:

(a) $25.00 per foot, which shall include all costs of labor, supplies, and rental of equipment.

(b) All costs, subject to the allowable maximums, set forth in Items (4), (5), (6) and (7) under the heading "Estimated Costs of the Project" in Exhibit "A" attached to the aforesaid Amendment No. 3, which are necessarily incurred by the Operator for the following items required in the performance of work in sinking the test pits;

(i) transportation of equipment and supplies;

(ii) gasoline and lubricants to pump water for the washing plant and operation thereof for the purpose of concentrating the material from the test pits;

(iii) meals and quarters for the workmen and supervisor; and

(iv) supervision.

IV. No payment shall be made for any part of the aforesaid work on any test pit until the particular test pit shall have been completed.

V. The labor schedule for said work is waived.

This amendment shall not be construed to increase the estimated total cost of the project, the aggregate total amount which the Government may be required to contribute, the allowable maximum cost of any item of work, or the agreed unit cost of any item of work.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense
Minerals Exploration
Administration

Indirect 12/7/55
Approved
"Appd Sol. Off."
F L Kramer
Atty
Fisher

NORTHWEST DEFENSE MINERALS, INC. (Assignee)

By _____

12/19/55 gla

Copy

NORTHWEST DEFENSE MINERALS, INC.
Spearfish, South Dakota

Office of the
President

118 East 40th. Street
New York City, N.Y.
December 14, 1955.

RECEIVED
DEC 19 1955

64
65

Mr. W.M. Traver, Executive Officer
DMEA Region III
Department of Interior
224 New Customhouse Bldg.
Denver, Colorado

Dear Mr. Traver:

With reference to the letter signed by Mr. J.W. Townsend, dated November 23, 1955:

Disallowance (a) "Test Pit Caisson", - we are advised that there may be an amendment to clarify this item and we will contact you at that time.

Disallowance (b) "Rental Truck" -- Please refer to Amendment 3, Exhibit "A", "Estimated Costs of the Project", Item#6, to be rented:

1. Pick-up truck @ $160.00 a month, 3½ months, includes all repairs, total $560.00.

Please re-instate this claim on report 1 MF104, exactly as per contract, and send check to cover for $160.00.

Disallowance (c) "Cook and Food" Item #7 under Miscellaneous, Meals and Quarters", with reference to the disallowance of $136,00 for food: Please also disallow $120.00 cook's salary already reimbursed. Please refer to Amendment 10 clarifying the subject: Amendment 10 changes the $8.00 a day to $8.00 a man day. Please be advised that the claim is for 140 man days retroactive, and this claim is $1130.00. The following is the man day record:

Gus Nemits	28 man days		
R.M. Atwater Jr., Supervising Engineer	14	"	"
Allison Kohler, Miner	17	"	"
Arthur Bailie, Miner	16	"	"
John S. Mac Donald, Miner	1	"	"
Wm. H. Rummans, Truck Driver	32	"	"
Ruth Rummans, Cook	32	"	"
	140	"	"

Please send check for a total of $1290.00. We request that you expedite the transaction.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan President

Peggy Keenan, President.

New York address

cc Mr. E.O. Binyon
PK:ie

Surname Copy

Departm[illegible] the Interior

DMEA

14X4401(01) Revolving Fund,
Defense Production Act,
Interior, (Allocated Working Fund to
the Office of the Secretary)

FILE COPY
Surname:
FLKnouse
Gilis
Kiilsgaard
Geheb
Selfridge
Fishman
Nathenson

T E L E T Y P E

NOV 30 1955

W. M. TRAVER
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER, COLORADO

REURMEMO NOVEMBER 21 DMEA-654 NORTHWEST DEFENSE MINERALS, INC. ALLOWABLE COST PER FOOT FOR TEST PITS ITEM I AMENDMENT NO. 3 MAY INCLUDE, IN ADDITION, PART OF THE COST ITEMS DESCRIBED IN SAME AMENDMENT UNDER ITEMS 4, 5, 6, AND 7. HOWEVER, WE ARE PREPARING AN AMENDMENT TO CLARIFY SAID PROVISION WHICH WILL BE FORWARDED.

George C. Selfridge

GEORGE C. SELFRIDGE
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/izm
11-29-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Code 700
Mr, Knouse
Messrs. JECrawford, Rm. 3641
THKiilsgaard, Rm. 5224
JOHosted, Rm. 3210, GSA

Surname copy 700

F L Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR (tin, columbium-tantalum, tungsten)
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DEPARTMENT OF THE INTERIOR

DMEA

24X1401(GR) REVOLVING FUND, DEFENSE PRODUCTION ACT, INTERIOR (ALLOCATED WORKING FUND TO THE OFFICE OF THE SECY.)

T E L E T Y P E

W. M. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION IV
2nd NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REFERENCE NUMBER 8 DMEA-65, NORTHEAST DEFENSE MINERALS, INC.

IF FIELD TEAM ~~REFERENCES~~ of opinion that THE PROPOSED PLAN SHEET ~~WO~~ will OBTAIN satisfactory RESULTS DESCRIBED IN THE CONTRACT ~~AS NO ADDITIONAL COST TO THE PROJECT~~, IT IS WITHIN ~~YOUR~~ DELEGATED AUTHORITY TO AMEND ~~THE~~ CONTRACT ACCORDINGLY, subject to the limitations as to cost stated in the last sentence of paragraph numbered 1 in Amend. No. 6.

GEORGE E. SHILFRIDGE,
CHAIRMAN, OPERATING COMMITTEE

FLKnouse/gla
11-14-55

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
Confirmation to Region III

700

FILE COPY
Surname:

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

November 30, 1955

Memorandum

To: Associate Solicitor, Division of Mineral Resources

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-654
Contract No. Idm-258
(tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Please draft Amendment No. 11 to the subject amended contract, effective as of September 22, 1955, (the same effective date as Amendment No. 9), which will permit the Operator to do the test pitting in lieu of a contractor, as is described in Amendment No. 3 under Phase II Item (1):

> Independent Contracts. The maximum allowable cost per foot of $25.00 to include all cost of the work as follows: Labor, supplies and equipment rental or purchase and in addition a part of the costs set forth in Items (4), (5), (6), and (7) for the necessary transportation of equipment and supplies within the project area; gasoline and lubricants to pump water for the washing plant and operation thereof for the purpose of concentrating the material from the test pits; meals and quarters for the workmen and supervisor, and supervision cost.

Each test pit shall be completed before payment for any part thereof is made.

The Labor Schedule for said work is waived.

Ernest Wm. Ellis

FLKnouse/izm 11-30-55
cc to: Admr.'s Reading File
Docket
Code 700
Mr. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
NOV 25 1955

224 New Customhouse
Denver 2, Colorado

November 23, 1955

Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA-654X,
Contract Idm-E58, Lawrence
County, South Dakota

Dear Miss Keenan:

Reference is made to your telephone call of November 21, 1955 to this office regarding payment of your monthly voucher (Form MF-104) for October, 1955. We have processed this voucher for payment after making several disallowances which may be partially or wholly reclaimed under the stipulated or indicated conditions. The disallowances are as follows:

a) "Test Pit Caisson" - The full amount of $456.25 claimed for this item is disallowed as we are unable to check documentation. Furthermore, Amendment No. 3, Exhibit A of the contract specifies that the work is to be performed by Independent Contract. Ordinarily for the work to be done on Company Account would require an amendment to the contract. This matter has been referred to the Washington Office and you will be further advised when we have received our instructions.

b) "Rental Truck" - The full amount of $160.00 is disallowed. Company-owned equipment can only be charged to the project on a depreciation basis, which is 1/60 of the value as a monthly depreciation rate. The change would require an amendment to the contract.

c) "Cook and Food" - The amount of $136.00 claimed for food is disallowed because of insufficient documentation. A

listing of checks paid to the various grocery stores is not acceptable documentation. We must have itemized statements from the food suppliers and if the bills have been paid they should be so receipted.

d) "Compensation 2% payroll" - An amount of $13.68 is disallowed. We have approved $8.82, which is two percent of $441.02 (Labor and Foreman plus salary of the cook).

Please make the necessary corrections on your future Forms MF-104 and MF-104A, and carry the corrections forward each month until the above items are resolved. Totals for work performed during the first phase of the contract are also to be carried forward.

Reclaim may be made on any of your subsequent vouchers or as a separate claim. Any reclaim must be accompanied by the original of the Administrative Audit Difference Statement (R-IV-B and F Form No. 4), which statement will be mailed to you in the near future by the Finance Office.

It is the desire and intent of this office to cooperate with your company as fully as possible in this matter; therefore, please feel free to contact Mr. Binyon or this office at any time.

Very truly yours,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

By J. W. Townsend
J. W. Townsend

JDC:jy

cc: Corresp. File E58
Sec. Op. Comm. (2)
Binyon
Christensen
Townsend
Cooper
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

CERTIFIED MAIL

RECEIVED
FEB - 3 1956

November 22, 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: S. M. Runke

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

In reply to your memorandum of November 18, 1955 regarding the Northwest Defense Minerals, Inc. request to substitute a Humphrey Spiral in place of a Wilfley type table in their flow sheet for concentrating material excavated from test pits; I can see no reason for not allowing this substitution as I believe that a Humphrey Spiral will operate as efficiently as a table in recovering the subject minerals when employed as shown in the flowsheet submitted by the corporation on November 4, 1955.

With regard to a method for separating gold from the concentrates before they are analyzed, I do not believe that this is important since the gold can be readily separated by panning and amalgamation if desired.

I am returning herewith the set of data you sent with your memorandum, which consists of the following items:

Letter dated November 4, 1955, from Peggy Keenan, President, Northwest Defense Minerals, Inc., with attached copy of proposed concentrating installations;

Copy of memorandum, dated November 8, 1955, from this office to the Chairman, Operating Committee, DMEA;

Teletype from the Chairman, Operating Committee, DMEA, in reply to our memorandum of November 8;

Excerpt from Amendment No. 8 with attached flow sheet by G. W. Jarman, dated 3-22-54.

/s/ S. M. Runke

S. M. Runke

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

November 22, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc. (Assignee), Keenan Properties, Lawrence County, S. Dak.

Enclosed are the Government's, Division, and Docket copies of Amendment No. 10 to Contract Idm-E58, which was forwarded by your letter of October 31, 1955, for signature by the Operator.

Copies of the Amendment have been given to the Operator, the Finance Office, Region III, and distributed to other personnel concerned.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

RECEIVED
NOV 25 1955

For Mr. Ernest Lem Ellis
Chief, Rare & Minor Metals
11-28-55 [illegible]

RECEIVED
NOV 28 1955

Spearfish, South Dakota
November 28, 1955

Mr. B. C. Binyon, Mining Engineer
DMEA
Department of Interior
School of Mines, Rapid City, South Dakota

Subject: Contract Num S-56
654X

Dear Mr. Binyon:

I regret that I missed you and your associate on Monday Nov. 21.

Conditions were such that we could no longer continue to process the material excavated.

Please be advised that due to extreme cold beyond our control and due to frozen water supplies and solidly frozen excavated gravel stored in the bins in the mill, the processing of material was suspended on the evening of November 20, 1955.

The split half of 9 samples prepared by our engineer are to be delivered to you, together with the legend of the samples and progress report of the second month of Phase II Idn S-56, 654X. These samples are the result of the process as previously outlined to you which you saw in operation and the excavated gravels run were from Caisson Test Pit No. 1 Beaver Creek.

The other half of each of the 9 samples will be sent by our Corporation to the assayer in Denver, Colorado.

Thanking you for your many courtesies,

Yours Very Truly,
Peggy Keenan President
Northwest Defense Minerals, Inc.

Peggy Keenan, President

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
NOV 23 1955

AIR MAIL - SPECIAL DELIVERY

224 New Customhouse
Denver 2, Colorado

November 21, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

We have learned recently that the Operator is performing the test pit work on cost account instead of by Independent Contract as stipulated under item (1) in Exhibit "A" (Amendment) attached to Amendment No. 3.

A "Contract Agreement" pertaining to the matter was forwarded to you under item (a) of our memorandum of November 18, 1955.

The $25.00 per foot for test pit under item (1) includes washing excavated material, concentrating contained tin, tantalum, columbium, tungsten, gold, and other minerals and metals, and separating the free gold from the concentrate. However, some elements of the work and charges therefor appear to be duplicated under items (4) to (8) inclusive of the aforementioned attachment to Amendment No. 3, such as "Labor and Supervision," under item (4), and "Operating Materials and Supplies" for the washing plant under item (5). Consequently, we are at a loss as to how to proceed in the matter.

We are processing the current MF-104 and suspending the entire amount claimed under test pitting, which is 18.25 feet at $25.00 per foot, as the documentation provided does not include a breakdown of the component charges incident to the test pitting.

It appears to us that claim for reimbursement by the Operator should be on the basis of each test pit completed, including the washing and concentrating processes stipulated.

It also appears to us that an amendment to the contract would be necessary before payment could be made to the Operator for test pitting on actual cost basis.

After you have reviewed the matter, we will appreciate your advice by the most expeditious manner, as we will be awaiting it before writing to the Operator to clarify the matter of requirements for subsequent reports.

W. M. Traver

By J. W. Townsend
J. W. Townsend

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
NOV 21 1955

224 New Customhouse
Denver 2, Colorado

November 18, 1955

Memorandum

To: Secretary to the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA-654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals Inc., Lawrence County, South Dakota - Independent Contracts and Agreements

Enclosed are two copies each of the following items signed by Peggy Keenan for Northwest Defense Minerals, Inc.

(a) "Contract Agreement" dated September 26, 1955, whereby the subject operator depicts the method that will be used for test pit sinking
(b) Agreement dated September 27, 1955 whereby Kenneth Ellingson will perform churn drilling for the subject operator
(c) Agreement dated September 29, 1955 whereby W. O. Fillmore will furnish a TD-18 dozer to prepare access trails and drill sites, and to assist in the recovery of three Caissons in Beaver Creek

From the wording of the second listed agreement (b) it does not appear that the drill crew will be entitled to subsistance under the terms of Amendment No. 10 to the contract.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

RECEIVED
DMEA
Date Rec'd NOV 21 1955
NOV 14 1955
BUREAU OF MINES
Denver, Colorado

TIN, COLUMBIUM-TANTALUM
TUNGSTEN
GOLD

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

Spearfish, South Dakota
September 26, 1955

CONTRACT AGREEMENT

The Northwest Defense Minerals, Inc. agrees to excavate and sink Caissons in one Test Pit in Beaver Creek, MS 392, and excavate and sink Caissons in one Test Pit in Bear Creek, MS 393, for the Defense Minerals Exploration Administration Project Idm E-58, 654x in the following manner:

The test pits shall be sunk by using a caisson lining having a beginning diameter of not less than 48" and the caisson shall be continuously advanced ahead of the material being excavated. Each pit shall be sunk into the bedrock to where the enriched mineral values are recovered.

All of the excavated material from each separate pit is to be stored in bins in the mill on the property of the Northwest Defense Minerals, Inc. Each bin shall contain one caisson's worth of gravel excavated.

When the approved equipment is installed in the Northwest Defense Minerals, Inc. mill, the material is to be thoroughly washed by screens and the heavy minerals and gold concentrated to a concentrate satisfactory to the project engineer and the DMEA observing engineer.

It is understood and agreed that the total above described work of excavation and processing shall not exceed $25.00 a foot, and that the work is to proceed as rapidly as possible.

The Bear Creek MS 392 Test Pit is to be sunk within 1500 feet of the South boundary of the property.

The Beaver Creek MS 393 Test Pit is to be sunk within 1500 feet of the confluence of Potato, West Deer, and Beaver Creeks.

Northwest Defense Minerals, Inc.
Peggy Keenan President
Peggy Keenan, President

3

NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

RECEIVED
NOV 21 1955
DMEA
Denver
NOV 14 1955
BUREAU OF MINES
Denver, Colorado

Spearfish, South Dakota
Sept. 27, 1955

Mr. Kenneth Ellingson,
420 Eighth Street
Spearfish, South Dakota

Dear Mr. Ellingson:

This memorandum of agreement will serve to secure your services, required personnel and necessary equipment including ~~drive pipe and~~ bailer on contract with which to churn-drill 18 holes on the Northwest Defense Minerals, Inc. placer properties as specified by the Defense Minerals Exploration Administration Docket DMEA 654X, Contract Idm E-58. PK KE

There are to be drilled under the supervision of the Northwest Defense Minerals, Inc. engineer, Mr. R.W. Atwater, and of the DMEA field team engineer, Mr. E.O. Binyon, 9 churn drill holes in the placer gravels of Beaver Creek across the creek channel immediately below the confluence of Potato, West Deer and Beaver Creeks, of an approximate average depth of 20 feet to each hole, the spacing between the holes shall be approximately 50 feet. Each drill hole shall be cased shall be 6 inches in diameter, and shall be drilled to a depth in the bedrock to where the enriched mineral values are recovered. All material recovered from each drill hole shall be brought to the surface by a bailer and shall be carefully stored in drums and sealed by the project engineers, pending arrival of processing and separation equipment specified in the DMEA contract.

There are to be drilled under the same direction 9 churn drill holes in the placer gravels of lower Bear Creek across the creek channel within 1500 feet of the South boundary of the project, where the boundary crosses Bear Creek. The specifications are to be exactly the same as outlined for the Beaver Creek work.

Northwest Defense Minerals, Inc. agree to pay $5.00 per foot for churn drilling which includes carefully bailing the material and storing it in drums. In the event the processing and separation equipment arrives in time, other engineering personnel other than yours will attend to this work.

It is herewith agreed that the above work will start on or about September 27,1955, weather permitting.

It is agreed that you carry Workmen's Compensation Insurance acceptable to the State of South Dakota.

Surname copy

700

F. L. Knouse
Ellis
F. J. Somers
Chambers
Selfridge
Mottendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

NOV 18 1955

DEPARTMENT OF THE INTERIOR

DMEA

14X1.61(G1) Revolving Fund,
Defense Production Act, Interior
(Allocated Working Fund to the Office
of the Secy.)

TELETYPE

W. N. TRAVER, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
234 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REFERENCE NOVEMBER 8 DMEA-654 NORTHWEST DEFENSE MINERALS, INC. IF FIELD TEAM OF OPINION THAT PROPOSED FLOW SHEET WILL OBTAIN SATISFACTORY RESULTS DESCRIBED IN THE CONTRACT YOU ARE AUTHORIZED TO AMEND THE CONTRACT WITH RESPECT TO ALTERNATE MENTIONED IN PARAGRAPH 1 AMENDMENT NO. 6 SUBJECT TO THE LIMITATIONS AS TO COST STATED IN THE LAST SENTENCE OF SAID PARAGRAPH. NO FLOW SHEET WAS ATTACHED TO AMENDMENT NO. 3. CONTRACT INTENT IS TO RECOVER MINERALS AS CONCENTRATE FROM GRAVEL, SEPARATE GOLD CONTENT, AND ANALYZE REMAINING CONCENTRATE FOR METAL CONTENT DESCRIBED IN CONTRACT.

FLKnouse/gla
11-17-55

GEORGE C. SELFRIDGE, By LSF
CHAIRMAN, OPERATING COMMITTEE

cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse R. P. Dwyer
Confirmation Region III

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

Spearfish, South Dakota
November 10, 1955

Mr. Ernest Wm. Ellis, Chief,
Rare and Miscellaneous Metals Division
DMEA
Department of Interior
Washington, D.C.

Dear Mr. Ellis:

Your letter of October 31, 1955 received.

The Amendment No. 10 has been received from Mr. W. M. Traver and all copies have been signed and forwarded to the Denver office.

Thank you so kindly for all the extra work you and the executives in Washington have spent in our behalf.

We expect -10 degree weather this week. A process in the mill is almost complete and we will proceed with the aid of an enormous barrel wood stove.

The first month's Progress Report is enroute to Mr. Traver. Mr. Binyon in Rapid City was most helpful and kind to me.

Sincerely and gratefully yours,

Peggy Keenan President
Northwest Defense Minerals, Inc.

Peggy Keenan, President

RECEIVED
NOV 14 1955

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

AIR MAIL
SPECIAL DELIVERY

November 8, 1955

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMEA 654X (Tin, Columbian, Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

Enclosed are the original and two copies of a letter from Peggy Keenan, dated November 4, 1955, with attached flow sheet showing the equipment set-up which they propose to use in lieu of the equipment specified under Amendment No. 3 to the Contract.

As there is no flow sheet attached to Amendment No. 3, we are in doubt as to the original intent. Therefore we are forwarding the matter for your consideration and advice to us as to how we should proceed. Please teletype advice as soon as possible, as undoubtedly the Operator will be telephoning this office for instructions as to how to proceed.

W. M. Traver

By J. W. Townsend

Enclosures
JWT:prl

DMEA
Date Rec'd
NOV 7 1955
BUREAU OF MINES
Denver, Colorado

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

Spearfish, South Dakota
November 4, 1955

Mr. W. M. Traver, Executive Officer
DMEA, 224 New Customhouse
Department of Interior
Denver, Colorado

Re: Docket DMEA 654X
Contract Idm-E58

Dear Mr. Traver:

The 5 copies of the Progress report for the first month of the Phase II work of Docket 654X, Contract Idm-E58 has been submitted to Mr. E. O. Binyon. By now, you have probably received the Denver Regional copy. Because the Northwest Defense Minerals, Inc. arranged a limited revolving fund for Phase II use, it would be greatly appreciated by the Operator if your Agency can release the allowed check as soon as possible. The snows are sure to come and we are working against time, hold the men for processing work and finish up the outdoor work.

We have carefully studied the processing of the excavated gravels and sludge (from the current work) as set forth in Amendment No. 3 and No. 8. No. 8 is described as an alternate.

We must be completely frank in our reason to request permission to combine the equipment set forth in Amendment No. 3 and No. 8. We have not yet been able to acquire the equipment which the Government so courteously allowed us in No. 8. Since it is an alternate, we hereby formally request permission of the DMEA to allow our Engineer, Mr. R.M. Atwater to use the attached flow-sheet equipment which is available to Northwest Defense Minerals, Inc. at once. The attached sketch (3 copies) will enable us to process as much Creek material as possible before freeze-up.

Please advise us how to proceed. We appreciate your courtesies.

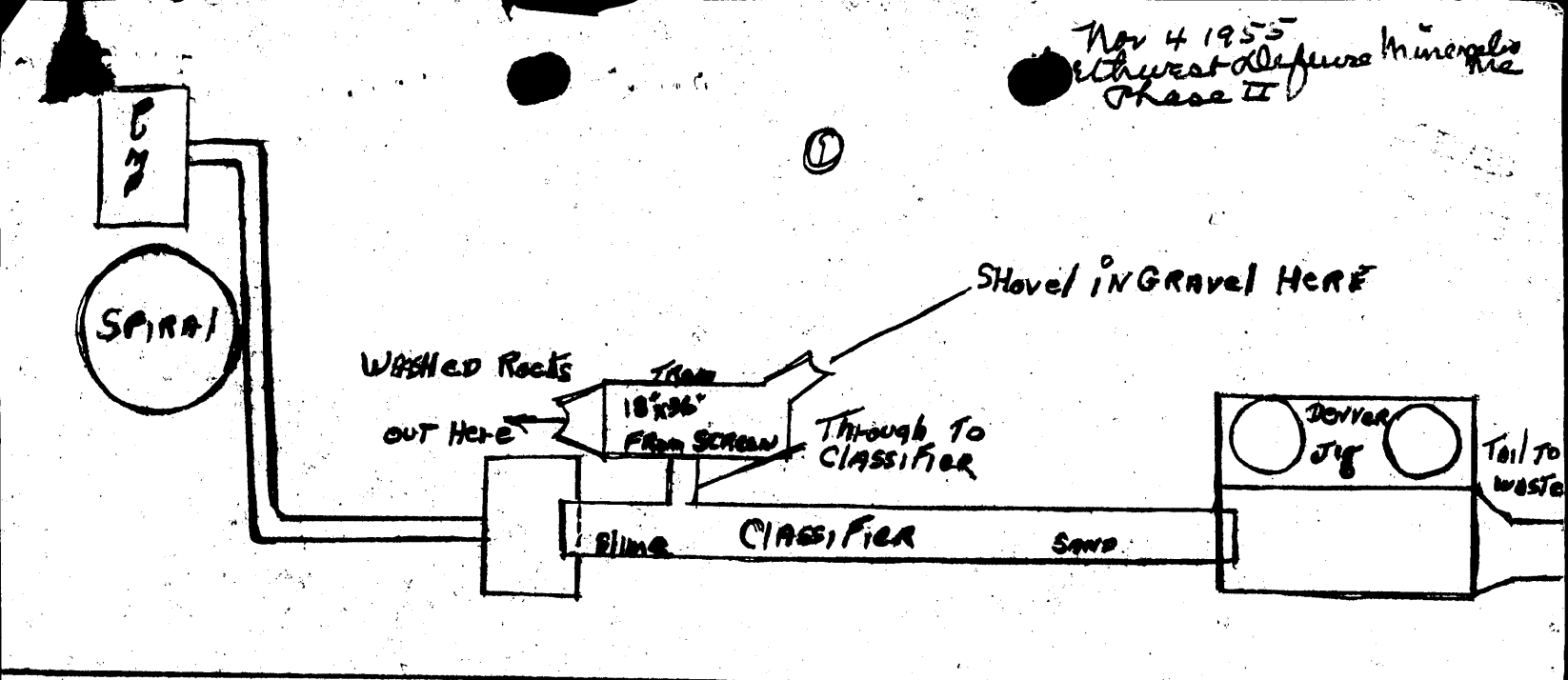
Yours very truly,

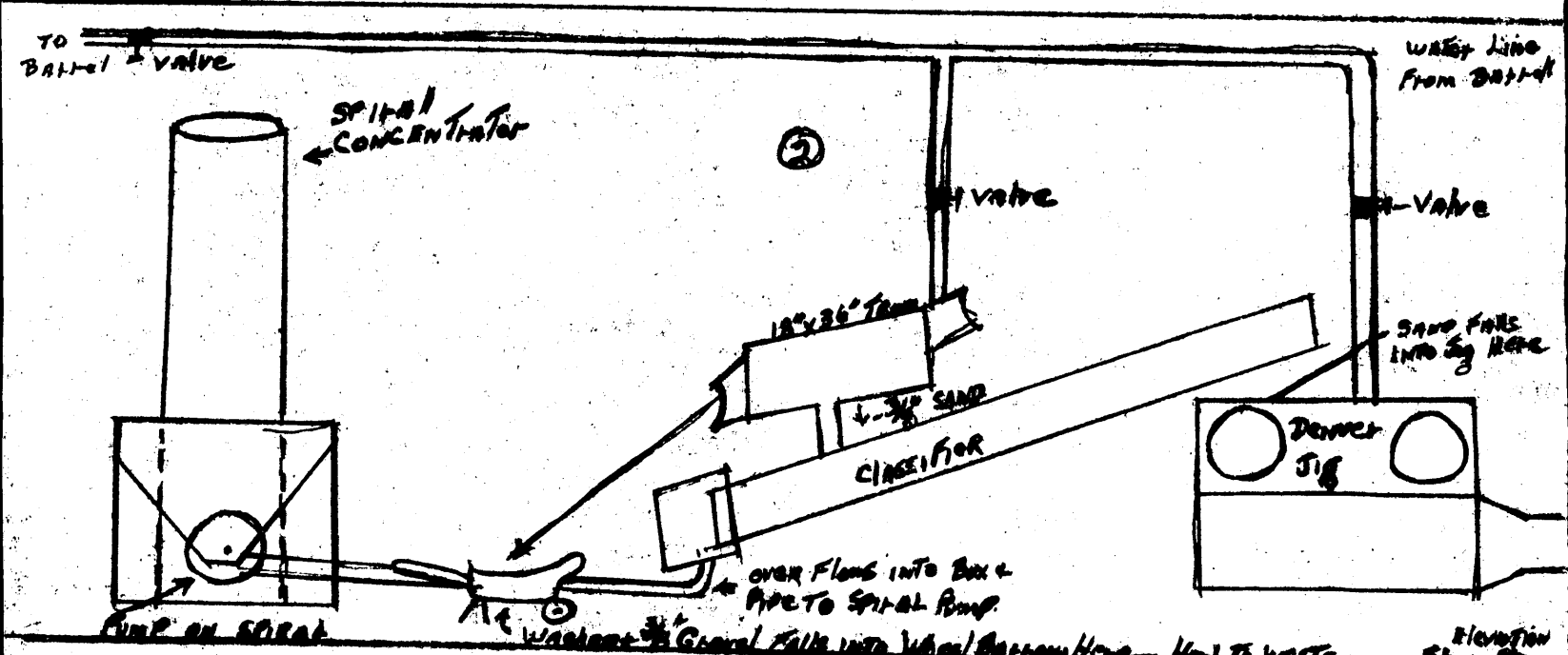
Northwest Defense Minerals, Inc.

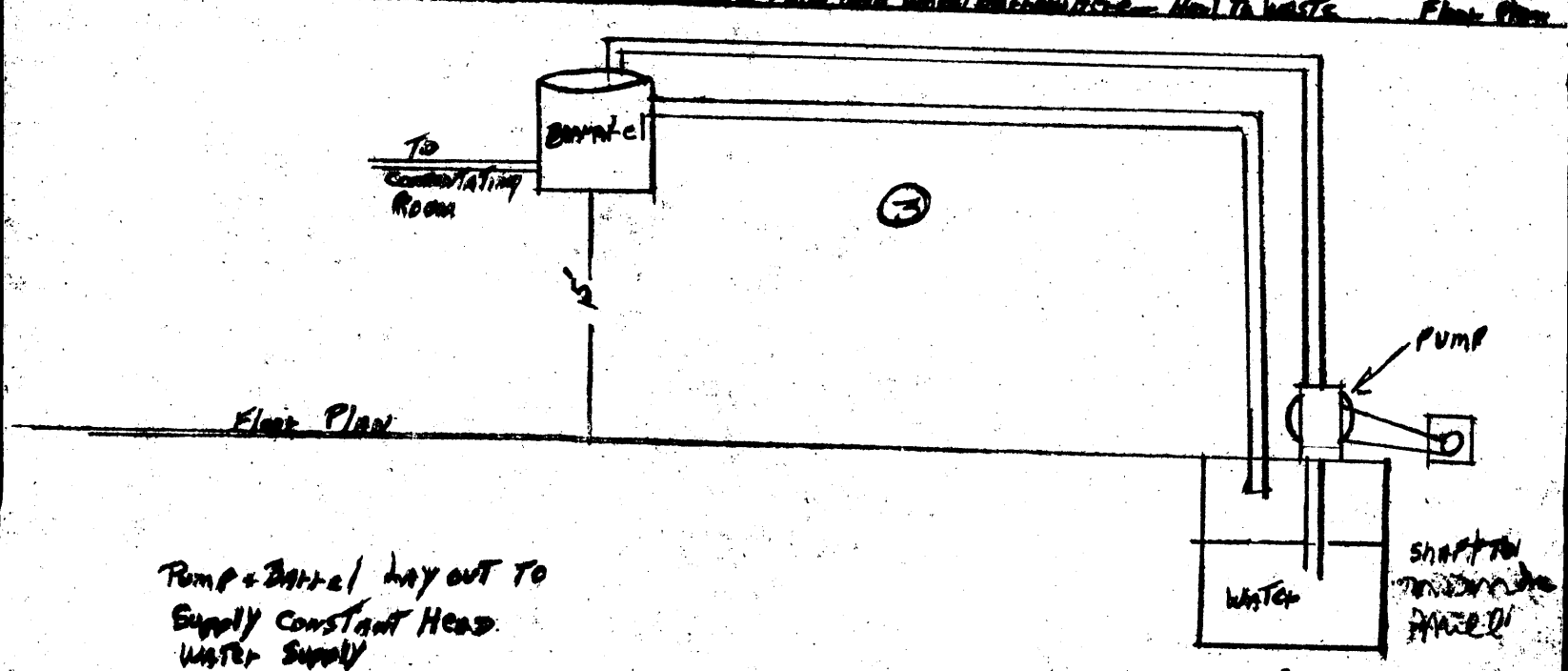
Peggy Keenan President

Peggy Keenan, President

Nov 4 1955
Northwest Refractories Mineralogic Inc
Phase II







Pump & Barrel Lay out To Supply Constant Head Water Supply

RMa.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

224 New Customhouse
Denver 2, Colorado

November 4, 1955

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA-654X, Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

Dear Miss Keenan:

Enclosed are the Government's, Division, Finance, Docket and Field Team's copies of Amendment No. 10 to Exploration Contract Idm-E58 which was prepared in Washington as a result of your letter of October 13, 1955, and signed by the Administrator, Defense Minerals Exploration Administration. The amendment clarifies that portion of Exhibit A (Amendment) attached to Amendment No. 3, which under item 7 specifies a maximum allowance for "Meals and Quarters."

If the amendment meets with your approval, please sign all copies as indicated, affix the corporate seal, and return them to this office, leaving the date blank. Upon return of the properly executed copies of the amendment, the Operator's copy will be forwarded to you.

In conjunction with this amendment we now require two copies each of your independent contracts for drilling and test pit work. Please have the copies made and forward them to us when you return the amendment.

Very truly yours,

W. M. Traver
Executive Officer, DMEA
Field Team, Region III

By J. W. Townsend
J. W. Townsend

Enclosures
JDC:jy
cc: Sec. Op. Comm. (2)
Corresp. File E58
Harshman
Binyon
Cuppels
Townsend
Chron.

Surname copy

700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

F. L. Knouse
Ellis
Keehan
Williams
Selfridge
R. J. Simon

OCT 31 1955

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-258
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

This is with reference to your letter of October 13, 1955, addressed to Mr. F. L. Knouse of this office, concerning the question of meals and quarters for 687 days at $8.00 per day, as is set forth in Amendment No. 3 of the captioned contract.

An amendment is being drafted to clarify your question and will be forwarded to Mr. Trawer in Denver, Colorado, who will contact you at an early date concerning its execution.

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

FLKnouse/gla
10-27-55
cc to: Admr.'s Reading File
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
DMEA Field Team, Region III (2)

R.C.G.

Surname copy

100

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

F L Knouse
Ellis
Talbert
Selfridge
Johnson

Mr. W. M. Travers
Executive Officer
DMEA Field Team, Region III
Bureau of Mines
Fth New Customhouse Building
Denver 2, Colorado

OCT 31 1955

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Ida-858
Northwest Defense Minerals, Inc. (Assignee)
Keystone Properties
Lawrence County, South Dakota

Dear Mr. Travers:

There are enclosed for execution the original and five copies, with two extra copies, of Amendment No. 10 to the captioned contract.

This amendment was prepared to clarify an ambiguity to that part of Amendment No. 3, "(8) Miscellaneous. Meals and quarters -- 687 days at $8.00" per day $5,496.00." The original intent of the amendment was to contribute up to $8.00 per man day for subsistence. Clarification of this part of the amendment was requested by the Operator in its letter dated October 13, 1955, copies of which are enclosed.

If any part of this amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, then the original and all copies are to be returned with the proposed changes for consideration. After execution of the amendment the copies are to be distributed in the usual manner.

Since the work in Amendment No. 3, Phase II, is based on maximum allowable cost for units of work and a part of the work will be done by a contractor, before approving payment for meals and quarters for the contractor's crew, the contract or contracts for any part of this work should be studied to determine if the Operator is liable for such payment.

FLKnouse/gla 10-27-55
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (GCS)

Enclosures

APPROVED:

/s/ Robert W. Geehan (GCS)
Director, Bureau of Mines

W. P. Williams (GCS)
Director, Geological Survey

R.C.S.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Indritz
Dwyer

OCT 25 1955

Memorandum

To: The Administrator, DMEA
Attention: Chief, Rare and Miscellaneous Minerals Division

From: Associate Solicitor, Division of Mineral Resources

Subject: Amendment No. 10 to Contract Idm-E58 (Docket No. DMEA-654 with Northwest Defense Minerals, Inc. (Assignee)

Pursuant to your request, a proposed Amendment No. 10 to this contract is attached.

Robert P. Dwyer

Robert P. Dwyer

Attachment

P.Indritz/wog
10/25/55

Copies to: DMEA Docket
Sol. Docket
Mr. Ellis (2)
~~Mr. G.C.Selfridge (2)~~
Mr. R.P.Dwyer
Mr. P.Indritz
Chron.

Surname copy

F L Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

October 18, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. L. Knouse
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. 1dm-558
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Amendment No. 10

Please prepare an Amendment No. 10 to the subject contract which changes Amendment No. 3, Exhibit "A" (Amendment), (7) Miscellaneous,

"Meals and quarters - 687 days
@ $8.00*/day $5,496.00"

to read:

"Meals and quarters 1/ - 687 man days
2/ @ $8.00*/day $5,496.00

"1/ Applies to the following working crew:
1 Supervising Engineer
1 Cook
1 Truck-driver-bulldozer
1 Driller (churn drill)
1 Driller helper (churn drill)
1 Pusher
3 Miners - shaft crew, part time

"2/ Includes all cost cook's (and helper, if any) wages, food, necessary cooking supplies, utensils, equipment rental or purchase, and house rental. No rental will be allowed for buildings on the property."

x Reasonable proportion of purchase price

F. L. Knouse

FLKnouse/gla
cc - Docket
Code 700 Mr. Knouse

Surname copy 700

Ellis
Selfridge
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OCT 1 4 1955

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-458
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

This is in response to your letter of October 8, 1955, and your letter of October 6 to Mr. Traver, which concerns the data that you are assembling relative to the processing of samples procured under Phase II of the subject contract. You state you would like to send such data to Mr. Enouse in the Washington Office.

Since the administration of this project is to be under the direction of Mr. Traver's office, it is suggested that such material be handled directly through him or his designated field representative, and the information will reach this office in due course.

I hope you will have good success in completing the project.

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

EWEllis/gla
10-13-55
cc to: Admr.'s Reading File
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
DMEA Field Team, Region III (2)

R.S.S.

Nunea-654

RECEIVED
OCT 17 1955

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

Oct 13 1955

Mr. J. L. Knouse
Defense Minerals Exploration Administration
Department of Interior, Rare & Minor Metals.
Washington DC.

Dear Mr. Knouse:

When the figures were set up for the Commissary under Amendment "A", an allowance was provided for $8.00 per day (meals and quarters) for 687 days, or $5496. for the total Phase 2.

As I understand the allowance, it was for $8.00 a day per man day for board and quarters.

On a basis of $8.00 a day, only our Corporation is losing money fast as the cook costs $6.66 per day plus food and then there are groceries, meat, fuel, delivery etc.

I feel sure that you estimated it per man day but I wanted to clarify before the Operators report is made out. We could not possibly operate a Commissary as we have 5, 6, & 9 at a meal plus quarters.

With best wishes to you,

Sincerely,
Northwest Defense Minerals Inc
Jerry Kehrman, President
JJK

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
OCT 1 7 1955

224 New Customhouse
Denver 2, Colorado

October 12, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket DMA 654X (Tin, Columbium-Tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence, South Dakota

Enclosed are the Government's, Division, and Docket copies of Amendment No. 9, which have been signed by the Operator as requested by your letter of September 26, 1955. Other copies have been distributed in the usual manner.

We have received word from the inspecting engineer at Rapid City, South Dakota, that drilling under the exploration contract began in the Bear Creek area on October 3, 1955, and one hole was bottomed by October 6, 1955. However, because the Operator's supervising engineer failed to arrive on the project, the Operator was informed that no other drilling was to be done until competent supervision was available. This requirement is provided on page 3 of Exhibit "A" which is attached to and made part of Amendment No. 3.

W. M. Traver

By J. W. Townsend
J. W. Townsend

Enclosures

10/12/55 gla

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

Spearfish, South Dakota
October 8, 1955

Mr. Ernest Wm. Ellis, Chief Rare & Misc. Metals
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Re: Docket DMEA 654X
Contract Idm-E58

Dear Mr. Ellis:

The Amendment No. 9 was received and churn-drilling work started October 3, 1955. I am sincerely grateful for the extension and wish to thank you and all executives who agreed to the Amendment.

Mr. Binyon remained on the project October 3, but when the Atomic Energy Commission delayed Mr. Atwater's arrival from New Mexico, Mr. Binyon asked me to recess. We are now going ahead with the project.

The enclosed letter to Mr. Traver dated October 6, refers to processing the material now being recovered from the churn-drill holes and test pits and mentions Mr. Knouse and his technical work in previous directives. Will you please give the copy to him and ask him to write to me?

Best wishes,

Yours very truly,
Northwest Defense Minerals, Inc.
Peggy Keenan, President

Northwest Defense Minerals, Inc.
Peggy Keenan, President

RECEIVED
OCT 11 1955

Mr. Ellis

Spearfish, South Dakota
September 29, 1955

Mr. W.M. Traver
Executive Officer
DMEA Field Team, Region III
224 New Customhouse
Denver,2, Colorado

Subject:
Idm, 654X
Contract Idm, E-58

Dear Mr. Traver:

Please find enclosed signed copies with Corporate seal of Amendment No. 9, which were received with your letter of transmittal dated September 28, 1955.

Yours very truly,

Northwest Defense Minerals, Inc.

Peggy Keenan, President

RECEIVED
OCT 11 1955

Mr. Ellis
Mr. Knouse

Copy

Spearfish, South Dakota
October 6, 1955

Mr. W.M. Traver, Executive Officer
DMEA, 224 New Customhouse
Department of Interior
Denver, Colorado

Re: Docket DMEA 654X
Contract Idm-E58

Dear Mr. Traver:

With reference to our telephone conversation October 5, 1955 relative to the supervision of DMEA Project Idm E-58, 654X on Northwest Defense Minerals, Inc.:

Thank you very much for accepting a substitute engineer, Mr. A. I. Johnson, in the enforced absence of Northwest Defense Minerals, Inc. engineer, Mr. R. M. Atwater, Jr. I will forward his background data.

Mr. Atwater is flying to Spearfish from New Mexico October 9, 1955 and will go to the Bear Creek churn-drilling site. I am advising Mr. E. O. Binyon to this effect, although Saturday and Sunday are not working days for the Government personnel.

With reference to the processing of the gravels recovered from churn-drill holes and test-pits:

The material recovered is ground so fine in the churn-drill holes that a few days study will enable to report a schedule of processing. I will have data assembled and would like to send it to Mr. F. L. Knouse, DMEA, Washington, D.C. who has co-operated with our engineers on techniques outlined in Exhibit A and on alternative in Amendment No. 8 (and G. W. Jarman flow sheet, March 22, 1954).

I have found a complete Humphrey Spiral closed circuit here in South Dakota which we may be able to rent. This would be especially important to use since the churn drilling is pulverizing our materials. You and Mr. Binyon will receive word from Mr. Atwater.

Thank you for your help and courtesy.

Yours very truly,

Northwest Defense Minerals, Inc.

Peggy Keenan, President

RECEIVED
OCT 11 1955

DMEA, Bureau of Mines

224 New Customhouse

RECEIVED
OCT 21 1955

October 6, 1955

E. O. Binyon
Bureau of Mines
School of Mines Campus
Rapid City, South Dakota

Gave Keenan authority employ A. J. Johnson as substitute project supervisor one week until Atwater arrives.

W. M. Traver

cc: Harshman
Townsend
Sec. Op. Comm. (2)

MSHA, Bureau of Mines

2521 New Quackenbush

RECEIVED

OCT 21 1986

October 9, 1986

E. O. Hanson
Bureau of Mines
School of Mines Campus
Rapid City, South Dakota

Dave Hanson authority employ A. J. Johnson as substitute project supervisor one week until Winter arrives.

J. A. Fox vice

cc: Johnson
Johnson
Sec. Op. Cont. (2)

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

RECEIVED
OCT 21 1955

Office of the President

Spearfish, South Dakota
October 6, 1955

Mr. W.M. Traver, Executive Officer
DMEA, 224 New Customhouse
Department of Interior
Denver, Colorado

Re: Docket DMEA 654X
Contract Idm-E58

Dear Mr. Traver:

With reference to our telephone conversation October 5, 1955 relative to the supervision of DMEA Project Idm E-58, 654X on Northwest Defense Minerals, Inc.:

Thank you very much for accepting a substitute engineer, Mr. A. I. Johnson, in the enforced absence of Northwest Defense Minerals, Inc. engineer, Mr. R. M. Atwater, Jr. I will forward his background data.

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The material recovered is ground so fine in the churn-drill holes that a few days study will enable us to report a schedule of processing. I will have data assembled and would like to send it to Mr. F. L. Knouse, DMEA, Washington, D.C. who has co-operated with our engineers on techniques outlined in Exhibit A and on alternative in Amendment No. 8 (and G. W. Jarman flow sheet, March 22, 1954).

I have found a complete Humphrey Spiral closed circuit here in South Dakota which we may be able to rent. This would be especially important to use since the churn drilling is pulverizing our materials. You and Mr. Binyon will receive word from Mr. Atwater.

Thank you for your help and courtesy.

Yours very truly,
Northwest Defense Minerals, Inc.
Peggy Keenan, President

Northwest Defense Minerals, Inc.
Peggy Keenan, President

Sec'y. Op. Committee 2

Selfridge

September 29, 1955

Memorandum

To: The Files

From: George C. Selfridge
Special Assistant

Subject: Docket No. DMA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-258

Mr. Traver, having received proposed Amendment No. 9 to the subject contract, telephoned the writer today and asked if it was necessary to have a full-time Government engineer checking the drilling and sampling of the 18 holes. Mr. Traver stated that it would be impossible to assign an engineer to the drilling. The writer explained that it was not the intent of the amendment to place a full-time Government engineer on the project but that the engineer should spend sufficient time to establish the modes of drilling and sampling and then leave the matter up to the Operator. It was suggested that the engineer visit more often than usual and that he take some check samples at the times of his visits.

Mr. Traver also wanted to know whether the Government or the Operator should store the drill hole samples as he was sure they would not be tested metallurgically this year. He explained that the samples could be stored in the Government warehouse at Piedmont, 40 miles distant, at no expense other than the transportation. The writer suggested that Mr. Binyon, the examining engineer in the area, learn of the storage facilities of the Operator. The integrity of the Operator was also discussed and it seemed that there would be no advantage for the Government to store the samples if the storage facilities of the Operator were suitable. As most of the drilling and sampling on the project would be done in the absence of a Government engineer, it did not appear to be too important what might happen to the samples contaminate during storage.

George C. Selfridge
by ES7

George C. Selfridge

GCSelfridge/esf
cc to: Docket
Admr. R. Fils
Mr. Ellis
Mr. Selfridge

Selfridge

September 28, 1955

Memorandum

To: The Files

From: George C. Selfridge
Special Assistant

Subject: Docket No. [illegible]
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. [illegible]

Mr. Traver, of Region III, telephoned today to ask if the subject contract had been extended. He had received a call from Mr. Binyon who informed him that Peggy Keenan had telephoned advising that she was starting work under the contract. The writer informed Mr. Traver that Amendment No. 9 had been mailed to him on September 26 which provided that the preliminary drilling had to be finished by January 1. He stated that he would call Mr. Binyon to visit the property and discuss the location of the 18 holes to be drilled.

(by esf)

George C. Selfridge

GCSelfridge/esf

cc to: Docket
Admr. R. File
Mr. Ellis
Mr. Selfridge

Surname copy 700

Ellis
Talbot
Selfridge
Johnson

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Mr. W. M. Traver
Executive Officer
DMEA Field Team, Region III
7th New Customhouse Building
Denver 2, Colorado

SEP 2 6 1955

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Ida-358
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Traver:

Enclosed are the original and five copies of Amendment No. 9 to the captioned contract, signed by the Administrator.

You will note that work must begin prior to November 1, 1955, and terminate not later than January 1, 1956, except that the Government may grant a further extension of time for the purpose of completing the analytical and metallurgical work. This last provision may be necessary because of weather conditions which might prohibit the outdoor processing of the bulk samples obtained from the sampling. If Operator is unable to process said bulk samples during the present season, the Government's field man should make certain that all such samples are properly stored until they can be processed. Furthermore, it will be necessary for the Operator to request in writing any processing delay, give the reasons therefor, and obtain Government approval.

We were assured by the Operator and Operator's Washington representative that the work would commence right away. A review of your office file will reveal some of the many reasons for delaying the work which, coupled with financing difficulties, has caused this project to proceed so slowly. After taking these matters into consideration and the fact that the Operator now intends to complete the contract, it was deemed advisable to grant this extension of time.

Kindly have Amendment No. 9 properly signed by the Operator's representative and make the usual distribution. It is our understanding that Miss Peggy Keenan, the Operator's official representative, will be in Spearfish, South Dakota, from September 23 on.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (2/B)

Enclosures

APPROVED:

/s/ Robert W. Geehan (2/B) N. E. Nelson (2/B)

Director, Bureau of Mines Director, Geological Survey

Messrs. A. Renick, Rm. 3624
T. H. Killsgaard, Rm. 5224
Code 700

EWEllis/gla 9-22-55
cc to: Admr.'s Reading File
Operating Committee
Docket

WESTERN UNION

1955 SEP 26 PM 12 23

N DMEA 001 PD=SP EARFISH SDAK SEP 25=

MR [illegible] MR ELLISE CHIEF RARE METALS DEFENSE
MINERALS EXPLORATORY ADMINISTRATION DEPARTMENT OF
INTERIOR WASHDC= (Sheet 1 of 2)

CHURN DRILLING EQUIPMENT CATERPILLAR TRUCK AND NORTHWEST
DEFENSE MINERALS INC PROJECT ENGINEER ALL ON OUR
PROPERTY NOW DMEA CHASE 2 STOP COOK COMMISSARY
CABINS AND PERSONNEL READY PLEASE ARRANGE EXTENSION
AMENDMENT NOW 056694X AND ADVISE SINCERELY APPRECIATE

DMEA 654

RECEIVED
SEP 26 1955

1220 (1-51)

WESTERN UNION

1955 SEP 26 PM 12 23

N. DMEA DNY

PATENCE OF DMEA REGARDS=
NORTHWEST DEFENSE MINERALS INC PEGGY KEENAN
PRESIDENT=

1955 SEP 26 PM 12 30

FAX

Sheet 2 of 2

1270 (1-51)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
SEP 1 1 1955

AIR MAIL

224 New Customhouse
Denver 2, Colorado

September 15, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA
Attention: Ernest W. Ellis

From: Executive Officer, DMEA Field Team, Region III

Subject: DMA 654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-E58, Northwest Defense Minerals, Inc.,
Lawrence County, South Dakota.

Enclosed are one typewritten and one photostatic copy of a memorandum of churn drilling agreement between the subject contractor and Kirk Wiltse, of Newcastle, Wyoming, with a transmittal note from Miss Keenan, requesting that I indicate my approval by signature and return.

In view of the Region III Field Team's recommendation with respect to this contract, copies of which are enclosed, the document is forwarded to you for your appropriate action. Inasmuch as the agreement is between our contractor and her subcontractor, I doubt the propriety of DMEA signifying approval of such a document until after it is properly accepted by the subcontractor.

Please advise of the action you take in this matter.

W. M. Traver

W. M. Traver

Enclosures

DMA-654X Sept 13
Contr. Adm-E58

DMEA
Date Rec'd.

RECEIVED
SEP 19 1955

SEP 14 1955
BUREAU OF MINES
Denver, Colorado

For approval by Mr. Graver

Please ~~send~~ return this to Keenan
air mail 118 E 40 St NY
after signing approval. I will
then fly to Spearfish and meet
all parties involved.

P.K.

DMEA
Date Rec'd.

SEP 14 1955

BUREAU OF MINES
Denver, Colorado

New York
118 E 40 St.

RECEIVED
SEP 19 1955

Sept. 12, 1955

Mr. Kirk Wiltse
434 So. Summit
Newcastle, Wyoming

Dear Mr. Wiltse:

This memorandum of agreement will serve to secure your services required personnel and necessary equipment on contract with which to churn drill 18 holes on the Northwest Defense Minerals, Inc. placer properties as specified by the Defense Minerals Exploration Administration Docket DMEA 654X, Contract Idm E-58.

There are to be drilled under the supervision of the Northwest Defense Minerals, Inc. engineer, Mr. R. M. Atwater, and of the DMEA field team engineer, Mr. E. O. Binyon, 9 churn drill holes in the placer gravels of Beaver Creek across the creek channel immediately below the confluence of Potato, West Deer and Beaver Creeks, of an approximate average depth of 20 feet to each hole, the spacing between the holes shall be approximately 50 feet. Each drill hole shall be cased shall be 6 inches in diameter, and shall be drilled to a depth in the bedrock to where the enriched mineral values are recovered. All material recovered from each drill hole shall be brought to the surface by a bailor and shall be carefully stored in drums and sealed by the project engineers, pending arrival of processing and separation equipment specified in the DMEA contract.

There are to be drilled under the same direction 9 churn drill holes in the placer gravels of lower Bear Creek across the creek channel within 1500 feet of the South boundary of the project, where the boundary crosses Bear Creek. The specifications are to be exactly the same as outlined for the Beaver Creek work.

Northwest Defense Minerals, Inc. will pay $5.00 per foot for churn drilling which includes carefully bailing the material and storing it in drums. In the event the processing and separation equipment arrives in time, other engineering personnel other than yours will attend to this work.

It is herewith agreed that weather may delay the above work but the specified starting date is to be on or about Sept. 20, 1955.

It is agreed that Northwest Defense Minerals, Inc. has an option to contract for your services, required personnel and equipment for 45 additional churn drill holes, in Beaver and Bear Creeks which, because of weather may not be exercised until April or May, 1956, or as soon as snow melt allows the work to proceed.

Northwest Defense Minerals, Inc. agrees to pay for the work at the end of each 7 day working week on a $5 a foot of drilling accomplished.

Yours very truly,

Peggy Keenan, President

Northwest Defense Minerals, Inc.
Peggy Keenan, President

Accepted:

D. K. Wiltse

Approved:

W. M. Traver Executive Officer
DMEA Field Team

c. c. C. Benjamin Mitchell
Members of Board of Directors

Mr. George Selfridge

RECEIVED

SEP 16 1955

454

BUR MINES DN 235 9-15-55 4-40 PM

CHAIRMAN, OPERATING OXXX COMMITTEE, DMEA

REURTT CONTRACT IDM-E58 NORTHWEST DEFENSE MINERALS INC. OUR RECOMMENDATIONS ON EXTENSION OF COMPLETION TIME AND OTHER MATTERS AIRMAILED TODAY SEPTEMBER 15. SHOULD
SEPTEMBER 15. SHOULD
SEPTEMBER 15. SHOULD REACH YOU MAIL DESK TOMORROW. WE DO NOT CONCUR.

W M TRAVER

Kennecott, Cola

SEP 16 8 41 AM '55
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

Surname 700

Ellis
Selfridge
Johnson
Mitchenoy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

SEP 15 1955

DEPARTMENT OF THE INTERIOR

DMEA

14X4401(01)Revolving Fund
Defense Production Act (Interior)
(Allocated Working Fund to the Office of the Secretary)

T E L E T Y P E

W. M. TRAVER
EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

RE CONTRACT IDM-458 NORTHWEST DEFENSE MINERALS, INC.,

DOCKET DMEA-654 OPERATOR PROPOSES START PHASE II BEFORE OCTOBER 1.

OUR INTENTION TO EXTEND COMPLETION TIME BY AMENDMENT IF YOU CONCUR.

PLEASE ADVISE.

George C. Selfridge

George C. Selfridge, Chairman (216)
Operating Committee

EWEllis:am
9-15-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T.H.Killsgaard,Rm.5222
Code 700
Confirmation DMEA Field Team, Region III(1)

Surname

Ellis

700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

September 15, 1955

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

Subject: Amendment to extend completion date of
Contract Idm-E58
Northwest Defense Minerals, Inc.
Docket No. DMEA-654

Northwest Defense Minerals, Inc., is the Assignee of Peggy Keenan d/b/a Keenan Properties. Due to acquiring new claims, difficulties in obtaining Owner's Consent to Lien, time consumed by Operator in incorporating, and other extenuating circumstances, there has been considerable delay in starting Phase II of subject contract. The last amendment provided for the work to be completed prior to October 1, 1955. Operator states the work will commence on or about September 20, 1955. However, the project will require additional time for completion.

Please amend the time for completion to July 1, 1956. The amendment should state that work must commence prior to October 1, 1955, or the contract is automatically terminated. Furthermore, if work does start prior to October 1, 1955, the amendment should state that by ~~July~~ January 1, 1956, the contract is automatically terminated. Repayment period should be extended to fifteen (15) years.

Because of the very short time remaining in which to get this amendment signed, sealed, and delivered, it should be expedited.

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

EWEllis:am
cc to: Docket
Code 700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

RECEIVED
SEP 19 1955

224 New Customhouse
Denver 2, Colorado

September 13, 1955

Memorandum

To: Chairman of the Operating Committee, DMEA

From: Field Team, DMEA, Region III

Subject: Docket DMA 654X (Tin, Columbium-tantalum, Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., Lawrence County, South Dakota

We are enclosing three copies of the following correspondence relative to a request from Miss Peggy Keenan, President, Northwest Defense Minerals, Inc. You have the originals of some of this correspondence but we are enclosing copies for your easy reference:

1. Letter, dated August 26, 1955, from Miss Keenan to the Chief, Rare and Miscellaneous Metals, DMEA, Washington, requesting extension of completion time and storage of churn drill samples until washing and separating equipment arrives on the project site.

2. Letter, dated August 31, 1955, from Miss Keenan to E. O. Binyon, Bureau of Mines, Rapid City, South Dakota, relative to her letter to the Washington Office of August 26, 1955.

3. Letter, dated September 6, 1955, from Miss Keenan to the Chief, Rare and Miscellaneous Metals, DMEA, Washington, referring to typographical error in her earlier letter and again asking for an extension of completion time.

4. Memorandum, dated September 9, 1955, from E. O. Binyon to the Executive Officer, Region III, recommending denial of the request if at all possible.

We are of the same opinion as Mr. Binyon. We think that an extension of the completion date is not in order. Since October 28, 1952,

at which time Amendment No. 3 was executed which approved and outlined Stage II of the project work, five amendments have extended the project life. A review of the past correspondence reveals that this contract has been difficult to administer. The Government has been very lenient and has given the Operator every opportunity to complete the project. We recommend that the request be denied.

W. M. Traver

E. N. Harshman

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

Rapid City Experiment Station
School of Mines Campus
Rapid City, South Dakota

DMEA
Date Rec'd.
SEP 12 1955
BUREAU OF MINES
Denver, Colorado

September 9, 1955

RECEIVED
SEP 19 1955

Memorandum

To: W. M. Traver, Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon

Subject: Docket DMEA 654X (Tin, columbium-tantalum, tungsten)
Contract Idm E-58, Northwest Defense Minerals Inc.,
Lawrence County, S. Dak.

Enclosed is the original copy (and an extra copy) of a letter from the operator to Mr. Ernest Wm. Ellis, received here the afternoon of September 9.

I know there is no way of disproving any of the operator's statements and, although the requests may in part be justified, another extension does not seem warranted. From past performance and the recent correspondence, it may be that the difficulties with the operator experienced by those connected with DMEA in old Region V will be repeated.

I might suggest that if it is at all possible to disapprove an extension, it would seem advisable to do so.

E. O. Binyon

E. O. Binyon

cc: Traver (2)
files

+D

DMEA
Date Rec'd.

SEP 12 1955

BUREAU OF MINES
Denver, Colorado

New York
118 E 40 St.

Sept. 6, 1955

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Subject: Contract Idm, E-58, 654X

Dear Mr. Ellis:

Mr. James E. Bacon, executive Vice-President of Northwest Defense Minerals, Inc. has brought to my attention a typographical error in my letter to you dated Aug. 26, 1955.

In paragraph 1, line 2, I refer to my date of arrival in South Dakota to set up a churn drilling program as Oct. 5, 1955, it should read Sept. 5, 1955.

I enclosed a copy of a letter from D.K. Wiltse of Newcastle, Wyoming advising he is crowded with drilling work in September. I saw him in Spearfish in June and his outfit agreed to do the work and Kink Holwell, driller from Osage, Wyoming agreed to work with him. The latter has had placer drilling experience. A contract for Mr. Wiltse is being drawn by NDM, Inc. for churn drilling. Due to the fact that Mr. Wiltse has commitments up to late in Sept. and due to other factors which were beyond our control, I herewith make a formal request for an extension of contract Idm E-58, 654X. Weather in So. Dak. sometimes curtails outdoor activities early in the fall, sometimes late, and that, and the recent Uranium discoveries in the area, which keep churn drillers committed, are the reasons for asking for an extension.

Yours very truly,

Peggy Keenan President

Northwest Defense Minerals, Inc.

Peggy Keenan

PK:rd

RECEIVED
SEP 7 1955
Dept. of Interior
Bureau of Mines
Rapid City,
South Dakota

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

New York
118 E 40 St
Aug 31 1955

Chief Field Team
Defense Minerals Exploration Administration
Department of Interior
Rapid City, So Dak

Subject:
Contract Idm E-58,654

Dear Sir:

With reference to the enclosed copy of a letter to Mr. Ernest Wm Ellis of DMEA, Washington, DC:

Mr. Ellis advised the Northwest Defense Minerals Inc that it was best to send a copy of the letter (received by him Aug 26, 1955) to you at once, so that you could expedite the situation. He said the Washington DMEA Office is swamped and therefore delays in action.

I will wait here in New York for an approval letter from you before leaving for South Dakota, and before advising the churn driller how to proceed. Could you please reply air mail with instructions to me?

Yours very truly,
Northwest Defense Minerals, Inc.
Peggy Keehan, President

Copy to Mr. Ernest Wm Ellis.

SEP 9 1955

BUREAU OF MINES
Denver, Colorado

New York, N.Y.
118 E 40 St.

August 26, 1955

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals
Defense Minerals Exploration Administration
Department of Interior
Washington, D.C.

Dear Mr. Ellis:

This is to advise that I plan to be on the Northwest Defense Minerals, Inc. property the week of Oct. 5, 1955, to set up the churn drill hole program in Beaver Creek (9holes) and Bear Creek (9holes) as specified in Amendment No. 8 dated November 29, 1954, Contract Idm K-58, Docket 654X.

In the event the washing and separating equipment does not arrive in time to process these bulk gravels recovered from the churn drill holes as outlined in Amendment No. 7, dated May 10, 1954, I request permission to seal these gravels in drums in the presence of the DMEA field team out of Rapid City, and store the drums until the equipment arrives. Decision will have to be made regarding the time of digging the test pits.

The separation units of this same equipment will also serve to process the gravels recovered from a commercial operation in the Phase 1 area of Bear Creek. The engineering work on the semi-portable placer gravel plant has been done and $91,000 worth of equipment earmarked for NDM, Inc. in St. Louis, Mo. The engineer in charge of the DMEA work will be Mr. R. M. Atwater, Jr, (background previously approved). There will be a superintendant and we have asked Mr. James Moore to act in that capacity (Reference for James Moore- Mr. James Everett Bacon, Mr. G. Wallace Jarman, Separations Engineering Corp) The engineering supervision cost will be kept as per the budget.

The stock of the Northwest Defense Minerals, Inc., finally got some push behind it and is suddenly selling which gives the corporation a revolving fund to advance for the expenses of churn drilling as described above. Mr. Kirk Wiltse of Newcastle, Wyoming will do the churn drilling.

Mr. Ellis, please advise Mr. Mittendorf that I have done my best. Request is made for approval of the a ove plan which may mean finishing the job in May, 1956 and the continuation of drilling the other holes specified and processing and separating. If this is the only way I can get it done and we can have the blessing of the Administrator and of your division, the Board of Directors of the NDM, Inc. will be most thankful for an extension.

The extension of the DMEA was glad news. The record of the Agency is known to be very fine, and it helps little fellows like us to keep up our courage in mining.

Sincere regards,

Northwest Defense Minerals, Inc.

TOM KEEHAN, PRESIDENT

DW:rd

Docket
~~For Mr. Ellis~~

DMEA-654

New York
118 E 40 St.

Sept. 12, 1955

Mr. Kirk Wiltse
434 So. Summit
Newcastle, Wyoming

Dear Mr. Wiltse:

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Northwest Defense Minerals, Inc. agrees to pay for the work at the end of each 7 day working week on a $5 a foot of drilling accomplished.

Yours very truly,

Northwest Defense Minerals, Inc.
Peggy Keenan, President

Accepted:

D. X. Wiltse

Approved:

W. M. Traver Executive Officer
DMEA Field Team

c. c. C. Benjamin Mitchell
Members of Board of Directors

9/7/55 gla

TIN, COLUMBIUM-TANTALUM
TUNGSTEN
GOLD

RECEIVED
SEP - 7 1955

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

New York
118 E 40 St.

Sept. 6, 1955

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Subject: Contract Idm, E-58, 654X

Dear Mr. Ellis:

Mr. James E. Bacon, executive Vice-President of Northwest Defense Minerals, Inc. has brought to my attention a typographical error in my letter to you dated Aug. 26, 1955.

In paragraph 1, line 2, I refer to my date of arrival in South Dakota to set up a churn drilling program as Oct. 5, 1955, it should read Sept. 5, 1955.

I enclosed a copy of a letter from D.K. Wiltse of Newcastle, Wyoming advising he is crowded with drilling work in September. I saw him in Spearfish in June and his outfit agreed to do the work and Kink Holwell, driller from Osage, Wyoming agreed to work with him. The latter has had placer drilling experience. A contract for Mr. Wiltse is being drawn by NDM, Inc. for churn drilling. Due to the fact that Mr. Wiltse has commitments up to late in Sept. and due to other factors which were beyond our control, I herewith make a formal request for an extension of contract Idm E-58, 654X. Weather in So. Dak. sometimes curtails outdoor activities early in the fall, sometimes late and that, and the recent Uranium discoveries in the area, which keep churn drillers committed, are the reasons for asking for an extension.

Yours very truly,

(per. R.D.) Peggy Keenan

Northwest Defense Minerals, Inc.

PK:rd

Peggy Keenan

Sept. 12-'55

Called Jim Bacon
to-day re Peggy Keenan
showing "good faith"
by starting work
this month. He said
he would take the
matter up with her.

EWR

434 Summit
Newcastle, Wyoming
Sept. 1, 1955

RECEIVED
SEP - 7 1955

Dear Miss Keenan:

I have your letter of August 30 and will send a reply Air Mail.

At the present time, I have enough work to take me through September which I will have to do. The weather up at Tinton could get bad early in the fall and stay so until spring or possibly summer again. This will no doubt be a factor to be considered in a contract.

When can I expedt the contract from you, to read?

We expect to leave Sept. 6th for a couple of weeks on the west coast. Jim will be here carrying on operations for us until we return. You might contact him in my absence.

I will endeavor to see Kink Holwell; however, I am crowded for time and I am not sure where I might find him at present. We can surely line up the bailer and pipe someway.

Yours very truly,

(signed) D.K. Wiltse

8/30/55 gla

TIN, COLUMBIUM-TANTALUM
TUNGSTEN
GOLD

RECEIVED
AUG 30 1955

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

New York, N.Y.
118 E 40 St.

August 26, 1955

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals
Defense Minerals Exploration Administration
Department of Interior
Washington, D.C.

DMEA-654

Dear Mr. Ellis:

Oct. 1

This is to advise that I plan to be on the Northwest Defense Minerals, Inc. property the week of Oct. 5, 1955, to set up the churn drill hole program in Beaver Creek (9holes) and Bear Creek (9holes) as specified in Amendment No. 8 dated November 29, 1954, Contract Idm E-58, Docket 654X.

In the event the washing and separating equipment does not arrive in time to process these bulk gravels recovered from the churn drill holes as outlined in Amendment No. 7, dated May 10, 1954, I request permission to seal these gravels in drums in the presence of the DMEA field team out of Rapid City, and store the drums until the equipment arrives. Decision will have to be made regarding the time of digging the test pits.

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The stock of the Northwest Defense Minerals, Inc., finally got some push behind it and is suddenly selling which gives the corporation a revolving funds to advance for the expenses of churn drilling as described above. Mr. Kirk Wiltse of Newcastle, Wyoming will do the churn drilling.

Mr. Ellis, please advise Mr. Mittendorf that I have done my best. Request is made for approval of the above plan which may mean finishing the job in May, 1956 and the continuation of drilling the other holes specified and processing and separating. If this is the only way I can get it done and we can have the blessing of the Administrator and of your division, the Board of Directors of the NDM, Inc. will be most thankful for an extension.

The extension of the DMEA was good glad news. The record of the Agency is known to be very fine, and it helps little fellows like us to keep up our courage in mining.

Sincere regards,

Peggy Keenan, President

Northwest Defense Minerals, Inc.
PEGGY KEENAN, PRESIDENT

PK:rd

Aug. 31 - 1955

James Everett Bacon, who represents Operator in Washington, phoned today. He wanted to know if we had received this letter. The answer was yes. I told him the Field Team should also have a copy but because of the very heavy typing load it might be several days before we could make a copy for the F.T. He said he would see that a copy was forwarded to them at once.

EMB

700

Surname

Ellis
Mettendorf

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

JUL 28 1955 DEPARTMENT OF THE INTERIOR

DMEA

14X1401(01)Revolving Fund,
Defense Production Act (Interior)
(Allocated Working Fund to the Office
of the Secretary)

654

NORTHWEST DEFENSE MINERALS, INC.
c/o FRANK KEEHAN, PRESIDENT
BRADFORD HOTEL
118 EAST 40 STREET
NEW YORK, NEW YORK

REURTEL JULY 26, CONTRACT NO. IDM-258 UNABLE ADVISE YOU REGARDING PREPARATION FOR PHASE II OF CONTRACT EXCEPT SUGGEST YOU GET STARTED IN ORDER TO COMPLETE JOB "PRIOR TO OCTOBER 1, 1955." ALSO, UNABLE TO ADVISE RE CONGRESSIONAL SITUATION WITH RESPECT TO NEW URANIUM EXPLORATION CONTRACTS. SUGGEST YOU WATCH DAILY PAPERS. WE ARE STILL ACCEPTING URANIUM APPLICATIONS.

Signed

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division, DMEA

EWEllis:am
7-27-55
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. Kiilsgaard, Rm. 5222
Code 700
DMEA Field Team, Confirmation (1) Reg. IV

cc

7/27/55 gla

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol.

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1220 (R 11-54)

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

SYA071

1955 JUL 27 AM 2 49

SY NA226 LONG NL PD=NEW YORK NY 26=

ERNEST WILLIAM ELLIS, CHIEF RARE AND MISCELLANEOUS METALS=DEFENSE MINERALS EXPLORATION ADMINISTRATION DEPT OF INTERIOR WASHDC=

CONTACTED EUGENE O. BINYON, D.M.E.A RAPID CITY ON JUNE TRIP SOUTH DAKOTA ALSO RUNKE OF BUMINE NEGOTIATED KIRK WILTSE NEW CASTLE WYOMING CHURN DRILLER FOR CONTRACT SERVICES. HAVE TD-14 TRACTOR AVAILABLE AND NEW HAULAGE DODGE TRUCK. AM ADVISED SEPARATION EQUIPMENT WILL TAKE THREE WEEKS HRANSPORTATION R.M. ATWATER OUR ENGINEER ON PROPERTY EACH MONTH. PLEASE ADVISE 118 EAST 40 STREET WHAT ELSE TO DO REGARDING PHASE TWO PREPARATION WILL PRESENT CONGRESSIONAL SITUATION ELIMINATE GRANTING NEW URANIUM EXPLORATION CONTRACTS=

NORTHWEST DEFENSE MINERALS INC PEGGY KEENAN PRESIDENT BEDFORD HOTEL=

D.M.E.A TD-14 118 40=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

Ellis

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

45 West 81st Street
New York, New York

January 12, 1955

DMEA-654

Mr. C. O. Mittendorf,
Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

Dear Mr. Mittendorf:

This is to acknowledge receipt of your letter dated December 14, 1954 with enclosures -- signed operator's copy of Assignment of Contract and the endorsement of the Government's Consent to the Assignment.

Photostatic copies are in the files of the Corporation attorney, Mr. James Carey III of Baltimore, Maryland and we are grateful to you and your executives for consummating the papers for Northwest Defense Minerals, Inc. We will advise Mr. Ellis of our progress.

Yours sincerely,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

PEGGY KEENAN, PRESIDENT

PK:eq

Copy to: Mr. Ernest Wm. Ellis
Mr. James Carey III

FINANCIAL NEW YORK BUSINESS
SUNDAY Herald Tribune NOVEMBER 14, 1954

Black Hills' New Boom In Uranium

By Max Forester

There's a second big uranium field in the making far north of the booming Colorado Plateau, in the Black Hills of South Dakota.

The mining and construction men of the area, with others who have turned to uranium mining from other pursuits, are finding ore in good-sized quantities. The area is an infant yet compared with the Colorado Plateau, but it's a lusty infant giving every indication of readiness to burst from its swaddling clothes.

The Black Hills uranium activity was generated by the discovery in 1951 of carnotite ore along the sandstone walls of Craven Canyon, ten miles north of Edgemont, S. D. by a Rapid City attorney, and has ebbed and flowed.

Big Firms Pulled Out

Year before last United States Vanadium Corp. and Homestake Mining Co. did some drilling there, and then, as suddenly, U. S. V. curtailed its operations.

Local operators explain that since much more has been learned about the geology of the district, and the likelihood of finding deposits worth working. As a result, the boom has revived.

Meanwhile, the Atomic Energy Commission has kept up its survey work and test drilling in the area and, since the beginning of this year, local operators have widened operations substantially. Several are in production, but at this stage, exploration work and costs count the most. Hence, investment in local companies is purely speculative, and is only for those who can afford to lose their money should the admittedly big risks involved fail to pay off.

Clyde Boyle, who heads Sodak Mining Co., with more than 5,000 acres under claim near Belle Fouche, S. D., recounted last week some indications of growing activity and of expansion likely in the new field. He confirmed that local operators expect at least one mill to be built soon in the Black Hills.

Substantial quantities of ore are stockpiled at Edgemont and reserves in the area have increased rapidly since the first of the year, he said. Reserves proved up by private firms, according to Mr. Boyle, include 12,000 tons by Homestake and 45,000 tons by Edgemont Mining & Uranium Corp. Private concerns have produced about 35,000 tons of ore, he said.

One of the most attractive features of the South Dakota and Wyoming deposits is that the discoveries have been in two layers of rock, the Dakota and Lakota strata. Dakota deposits are often found at the surface, while uranium-bearing ores in the Lakota stratum have been no more than 200 feet deep.

Hence, underground operations will be at a higher level than on the Colorado Plateau, where some mines go down 800 feet. The underground deposits are also in harder rock than is the case on the Plateau, creating less of a problem in the support of mine walls and ceilings.

Cheaper to Work

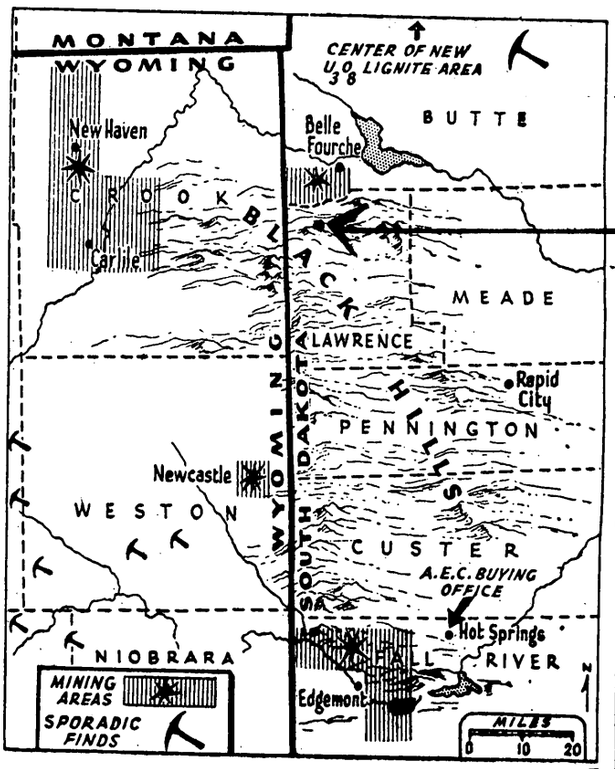
Mr. Boyle estimated development costs would be half those of Plateau operators for these reasons. The ore found in the Black Hills has been of somewhat lower grade than that on the plateau.

But the South Dakota-Wyoming ores are of good commercial grade. Sodak's ore has had an average uranium oxide content of 0.28 per cent and an average vanadium content of 0.7 per cent. While all operations in the Black Hills have been of the strip mining type, some of the larger companies are getting set to go underground.

The A. E. C., which has had an ore-buying office at Hot Springs, S. D. for months, confirmed last week that another buying office soon would be opened at Riverton, Wyo.

Drilling by private operators has totaled about 125,000 feet, and about the same amount has been carried out by the A. E. C., Mr. Boyle said. A. E. C. discoveries, and the indicated reserves resulting from them, are unknown.

APPROXIMATE LOCATION
NORTHWEST DEFENSE MINERALS, INC.
(KEENAN) PROPERTIES



John Fleck

Surname 700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Ellis
Kulsgaard
Guhon
Selfridge
K Johnson

DEC 14 1954

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Standish Hotel
45 West 81st Street
New York 24, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-58
Northwest Defense Minerals, Inc.,
assignee of Peggy Keenan, d/b/a
Keenan Properties
Lawrence County, North Dakota

Dear Miss Keenan:

This will acknowledge receipt of your letters dated December 8, 1954, enclosing the signed copies of Assignment of Contract and Assignee's Acceptance. Returned herewith is the Operator's copy with the endorsement of the Government's Consent to the assignment.

It is noted that you are taking steps to enter into the work under Phase II of the contract and furthermore are laying plans for the assembly of equipment for 1955 production. We trust you will be able to carry out these plans as anticipated.

Sincerely yours,

SIGNED

Administrator

EWEllis:am
12-13-54
cc to: Admr. Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
DMEA Field Team, Reg. IV(2), w/FT and Finance Office cc of assignment documents.

12/10/54 glc

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
DEC 9 1954

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

45 West 81st Street
New York, New York

December 8, 1954

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Ellis:

This will acknowledge receipt of your letter dated December 1, 1954, with six copies of Assignment of Contract, with six copies of Assignees' Acceptance.

The enclosed letter to Mr. C. O. Mittendorf, Administrator is to acknowledge receipt of the Operator's copy of Amendment No. 8.

The enclosed signed and dated documents, Assignment of Contract and Assignees' Acceptance with Northwest Defense Minerals, Inc. seal are executed as per your instructions and are being returned to you for the Administrator's signature.

I note that Northwest Defense Minerals, Inc. Bureau of Mines regional office is now Region IV of the Denver DMEA office, and we will act upon your instructions.

Have just returned from a very successful trip in South Dakota and we are advertising for bids for the phase 2 Churn drill holes and for assembly of equipment for our 1955 Placer production.

Thank you for bringing all documents to a perfected consummation.

Yours sincerely,

NORTHWEST DEFENSE MINERALS, INC.

By Peggy Keenan, President
PEGGY KEENAN, PRESIDENT

PK:eq
Encs.

12/10/5-v gla

Defense Minerals Administration
RECEIVED
DEC 9 1954

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

45 West 81st Street
New York, New York

December 8, 1954

Mr. C. O. Mittendorf, Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

Dear Mr. Mittendorf:

Your letter of November 30, 1954 received with enclosure of Operator's copy of Amendment No. 8.

It appears that all documents have now been executed as per instructions.

Please accept my appreciation of your patience and help in our project by you and your executives.

Yours sincerely,

NORTHWEST DEFENSE MINERALS, INC.

By Peggy Keenan, President

PEGGY KEENAN, PRESIDENT

PK:eq

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

654

DEC - 3 1954

Mr. Thomas H. Brading
DMEA Auditor
224 New Customhouse Building
Denver 2, Colorado

Dear Mr. Brading:

Reference is made to a letter from C. O. Mittendorf to J. H. East, Jr., under date of November 23, 1954, in regard to several problems raised in Mr. East's letter of November 15, 1954. One problem was the status of audited projects among the contracts transferred from Region V to Region IV.

Contracts E58-Keenan Properties, E517-Ortmayer, Sullivan and Boyle, E520-Mining Research Corporation, are still open.

The first phases of the Keenan Properties have been finished and have been audited. If you do not have a copy of the audit you doubtless will find same in the Executive Officer's copies transferred to Mr. King. The other two projects, that is, E517 and E520 are agreed unit cost contracts and most probably can be reviewed with the information in the Finance Officer's and Executive Officer's files when such contracts are finished.

Sincerely yours,

(Signed) J. L. Chambers

Jay L. Chambers, Chief
Contract Administration
and Audit Division

JLChambers/wb
December 3, 1954

Copy to: Docket
Admr. Reading File
Mr. Chambers

Surname 700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Ellis
Chamberlin
Mittendorf

Miss Peggy Keenan
Standish Hall Hotel
45 West 81st Street
New York 24, New York

DEC - 1 1954

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Peggy Keenan d/b/a Keenan Properties
Lawrence County, North Dakota

Dear Miss Keenan:

The Operator's copy of Amendment No. 8, with attachments, to the subject contract was mailed to you under date of November 30. No doubt you have received your copy by this time.

Transmitted herewith are the original and five copies of the Assignment of Contract and Assignee's Acceptance to be executed by you as the assignor and assignee's representative, respectively. In addition to signing these documents, also please date said papers. The Assignee's Acceptance should be stamped with the Company's seal. Kindly return all copies to this office for the Administrator's signature, following which the Operator's copy will be forwarded to you.

Under a recent Bureau of Mines redistricting, your file has been transferred from Region V to the Denver DMEA Office, Region IV. Kindly address all future correspondence having to do with matters under the Executive Officer's jurisdiction to the following:

Mr. W. H. King
Executive Officer
DMEA Field Team, Region IV
224 New Customhouse Building
Denver 2, Colorado

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Enclosure

EWEllis:am
12-1-54
cc to: Admr. Reading File
Docket
Messrs. A. Renick, Rm. 3624
T. Kiilsgaard, Rm. 5224 Code 700 DMEA Field Team, Region IV(2)

RCB

Surname copy 700

[redacted]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

INTERIOR DEPT.
NOV 23 1954
SOLICITOR

NOV 30 1954

Ellis
Quinn
Hoffland
Chenoweth
Kiilsgaard
Hedges
Selfridge
Jefferson

Miss Peggy Keenan
45 West 81st Street
New York, New York

Re: Docket No. DMEA-654
(Tin, Columbium-tantalum, tungsten)
Contract No. Idm-858
Peggy Keenan d/b/a Keenan Properties
Lawrence County, North Dakota

Dear Miss Keenan:

This will acknowledge receipt of your letter to Mr. Ellis dated November 22, 1954, and properly signed copies of Amendment No. 8. Enclosed is your Operator's copy of subject amendment.

Contrary to Mr. Ellis' letter of November 16, we will forward the Assignment of Contract and Assignee's Acceptance a few days from now for your signature. In this way there will be no misunderstanding as to the proper dates on the documents.

Sincerely yours,

C. O. Mittendorf

Administrator

Enclosure

EWEllis/gla
11-23-54
cc to: Admr.'s Reading File
Operating Committee
Docket
Messrs. A. Renick, Rm. 3624
T. H. Kiilsgaard, Rm. 5224
Code 700
DMEA Field Team, Region IV (2) - transferred from Region V

R.G.

11/23/54 glm

TIN, COLUMBIUM-TANTALUM
TUNGSTEN
GOLD

Defense Minerals Administration
RECEIVED
NOV 23 1954

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

45 West 81st Street
New York, New York

November 22, 1954

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

Dear Mr. Ellis:

Thank you for your letter dated November 16, 1954 with enclosures - one original and five copies of Amendment No. 8 of the captioned contract Docket No. DMEA 654, Contract No. Idm-E58.

I have signed all copies, left them undated and enclose them herewith.

I will await further word from you and appreciate your work in the matter.

Yours sincerely,

Peggy Keenan d/b/a
Keenan Properties

PEGGY KEENAN, d/b/a
KEENAN PROPERTIES

PK:eq
Encs.

Surname 700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Ellis
Rutin
Hoffland
Chapman
Mitchell

NOV 16 1954

Miss Peggy Keenan
Standish Hall Hotel
45 West 81st Street
New York 24, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Peggy Keenan d/b/a Keenan Properties
Lawrence County, North Dakota

Dear Miss Keenan:

Enclosed are the original and five copies of Amendment No. 8 to the captioned contract. Please sign (but do not date) and return all copies to this office after which the amendment will be submitted to the Administrator for dating and signature. You will note we are withholding the Owner's Consents to Lien. These papers will be attached at the time of signing by the Administrator.

Following the receipt of said amendment properly signed by you, the ASSIGNMENT OF CONTRACT and ASSIGNEE'S ACCEPTANCE, will be forwarded to you for your signature. Each copy of the ASSIGNEE'S ACCEPTANCE should be stamped with the Company seal. Upon receipt of these papers properly signed by you, they will be presented to the Administrator for his signature; following which your copies of all documents will be forwarded to you.

EWEllis:am
11-12-54
cc to: Admr. Reading File
Docket
Messrs. A. Rencik, Rm. 3624
T. Kiilsgaard, Rm. 5224
Code 700
DMEA Field Team, Reg. V(2)

Enclosures

Sincerely yours,

SIGNED

Ernest Wm. Ellis, Chief
Rare and Miscellaneous
Metals Division

cc

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

Rubin

November 9, 1954

Memorandum:

To: The Administrator, DMEA

Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-654, Peggy Keenan, d/b/a Keenan Properties, Contract Idm-458 (Tin, columbium-tantalum, tungsten)

Pursuant to Mr. Knouse's memorandum of November 5 to me, the information submitted by the Operator has been reviewed and Amendment No. 8 redrafted. The combination assignment form drafted at an earlier date is in proper form.

You will note that Amendment No. 8 is to be executed by Peggy Keenan. Therefore, that document should be executed prior to the execution of the assignment. Otherwise, the amendment will have to be prepared for the signature of the Assignee, Northwest Defense Minerals, Inc.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments

Copy to: DMEA Docket
Solicitor's Docket
E. W. Ellis (2)
J. L. Hofflund
H. C. Rubin
chron.

Surname copy

700

Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

INTERIOR DEPT.
NOV 5 - 1954
SOLICITOR

November 5, 1954

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. L. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-258
Peggy Keenan, d/b/a Keenan Properties
Lawrence County, South Dakota

With reference to the information requested in your memorandum dated October 18, 1954, concerning the requirements for the subject contract assignment and Amendment No. 8, we have received the attached information from the Operator. Kindly review this information to see if it complies with the requirements outlined in your memorandum referred to above.

Also, if necessary, please make the changes in the amendment which Mr. Rubin discussed with the Operator in a conference held in this office on October 22, 1954.

F. L. Knouse

Attachments

FLKnouse/gla
11-5-54
cc to: Docket
Code 700 contract file
Mr. Knouse

11/4/54 gla

TIN, COLUMBIUM-TANTALUM
TUNGSTEN
GOLD

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
NOV 4 - 1954

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Standish Hall Hotel
Phone: ENdicott 2-9200

Office of the President

45 West 81st Street
New York, New York

November 3, 1954

Mr. Ernest Wm. Ellis, Chief
Rare & Miscellaneous Metals Division
DMSA
Department of the Interior
Washington, D. C.

RE: Docket No. DMEA-654 (Tin, Columbium-Tantalum, Tungsten) Contract No. Idm-E58 - Peggy Keenan, d/b/a Keenan Properties, Lawrence County, South Dakota

Dear Mr. Ellis:

Thank you for your letter dated October 22, 1954 regarding the perfection of the records of the former Keenan Properties (Contract No. DMEA-654 No. Idm E-58), and with reference to the assignment of the Properties to Northwest Defense Minerals, Inc.

With reference to each item of paragraphs 1, 2, 3, and unnumbered 4 of your letter, I wish to clarify as follows:

1. Attached hereto is a dated notarized assignment of the Gold Bond, Gold Bond#1 and #4 and of the Three Jims claims, stating South Dakota as the State of location.

2. Attached hereto is a corrected copy of the current Dakota Tin and Gold Co. lease dated July 17, 1950. With reference to Appendix I of the original DMA contract dated July 16, 1951, under the heading "Bear Creek Area", the original lease referred to dated July 16, 1948, recorded in book 301, page 157 in Deadwood, South Dakota is replaced by the attached copy of the lease dated July 17, 1950, unrecorded.

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

Mr. Ernest Wm. Ellis November 3, 1954

With reference to our investigation with Mr. Knause, Engineer, and Mr. Ruben, Attorney, in your office October 22, 1954, one of the copies of the Owner's Consent to Lien of the July 17, 1950 (Dakota Tin and Gold Co. lease) was dated 1954 in typographical error. The attached Owner's Consent to Lien corrects the error and also includes the Golden Star No. 2 MS-1879 claim, omitted previously. Attached hereto please find six copies of Owner's Consent to Lien signed by the Secretary, Mrs. Lillian G. Fillmore.

3. With reference to the undated instrument acknowledged before a Notary Public August 30, 1954, which assigns the Peggy Keenan Properties to the Northwest Defense Minerals, Inc.: attached is a copy of a dated assignment.

With reference to the August 8, 1948 lease referred to in the Appendix I, this August 8 date was in error. The current lease referred to in the assignment is dated August 7, 1948 and is known as the W. O. Fillmore properties in all files.

With reference to this same lease dated August 7, 1948, and to an original affidavit dated April 1951 and to a second affidavit dated October 16, 1952 concerning the Harkness, Harkness #1 - #8, inclusive claims: please find attached hereto a copy of an Amendment to the August 7, 1948 lease between Peggy Keenan and W. O. Fillmore which formally includes the Harkness, Harkness #1 - #8, inclusive claims in the August 7, 1948 lease. I have executed an assignment of this Amendment to the Northwest Defense Minerals, Inc. and enclose a notarized copy in case it is required.

With reference to the June 14, 1948 lease which claims are covered by the lease dated November 1, 1949, from W. O. Fillmore and Lillian G. Fillmore: attached hereto is a copy of an assignment of this old June 14, 1948 lease to the Northwest Defense Minerals, Inc.

I believe the foregoing information clarifies paragraph 4.

I regret that time and effort on your part and that of your staff had to be expended on these items. I do appreciate your help in this matter.

Yours sincerely,

Peggy Keenan d/b/a Keenan Properties

PEGGY KEENAN,
d/b/a KEENAN PROPERTIES

PK:eq
Atts.

rname copy

700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

F. Kunze
Ellis
Muttendorf

Miss Peggy Keenan
Standish Hall Hotel
45 West 81st Street
New York 24, New York

OCT 22 1954

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-858
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

The Owners' Consents to Lien and the assignments by you of the land under the subject contract, submitted in connection with the proposed assignment of the subject contract by you to the Northwest Defense Minerals, Inc., have been reviewed. We find we will require certain corrections to the documents submitted and an additional document in order to complete this assignment. The corrections and document referred to are listed below, as follows:

1. Appendix I to the contract recites that the Gold Bond, Gold Bond No. 1, Gold Bond No. 4, and Three Jims No. 5 claims are owned by Peggy Keenan. In an undated instrument, acknowledged before a Notary Public on September 27, 1954, Peggy Keenan purported to assign all of her interest in these claims to Northwest Defense Minerals, Inc. The instrument fails to state that the claims are located in the State of South Dakota, and the assignment should be corrected to so state and dated.

2. In an undated instrument, acknowledged before a Notary Public on August 30, 1954, Peggy Keenan assigned all her interest in the following leases to Northwest Defense Minerals, Inc.:

Lease dated July 17, 1950, from Dakota Tin & Gold Company

Lease dated August 7, 1948, from W. O. Fillmore (incorrectly recited as August 8, 1948, in the Appendix to the contract).

Lease dated November 1, 1949, from W. O. Fillmore and Lillian Fillmore.

Lease dated November 1, 1949, from W. O. Fillmore.

No lease dated July 17, 1950, appears to be involved in the contract. Apparently, this assignment was intended to refer to a lease recited in the Owner's Consent to Lien executed by Dakota Tin & Gold Company as dated July 17, 1954. The assignment should be corrected, and we should be furnished with a copy of the lease.

3. Two leases, each dated November 1, 1949, one executed by W. O. Fillmore and one executed by both W. O. Fillmore and his wife, Lillian, cover four Union claims and Placer MS. 392. Owners' Consents to Lien from the Fillmores cover these claims. The Owners' Consents to Lien from the Fillmores also cover eight Elizabeth claims leased by both Fillmores by an instrument dated June 14, 1948, but this lease was not assigned by Peggy Keenan to Northwest Defense Minerals, Inc.

Appendix I refers to the Golden Star No. 2 claims and two Oma claims leased by Dakota Tin and Gold Company by an instrument dated July 16, 1948. These claims apparently were leased directly to Northwest Defense Minerals by the Instrument dated July 17, 1954, referred to above. The Owner's Consent to Lien refers to "Gold Star Claim" rather than the Golden Star No. 2 Claim, and this recital should be corrected by a new Owner's Consent to Lien covering this claim.

Upon the receipt of these corrected and additional documents, we will be able to continue processing the assignment of the contract.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division

F.L.Knouse/gla
10-21-54
cc to: Admr. Reading File
Docket
Messrs. A. Renick, Rm. 3624
T.H. Kiilsgaard, Rm. 5224
Code 700
Mr. Knouse
DMEA Field Team, Region V (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

October 1[illegible], 1954

Memorandum

To: The Administrator, DMEA
Attention: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Docket No. DMEA-654, Peggy Keenan, d/b/a Keenan Properties, Contract Idm-E58

In response to a memorandum dated September 30 from Mr. Knouse, we have reviewed the Owners' Consents to Lien and the assignments by Peggy Keenan of the land under the subject contract, submitted in connection with the proposed assignment of the subject contract by Peggy Keenan to Northwest Defense Minerals, Inc.

1. Appendix I to the contract recites that the Gold Bond No. 1, Gold Bond No. 4, and Three Jims No. 5 claims are owned by Peggy Keenan. In an undated instrument, acknowledged before a Notary Public on September 27, 1954, Peggy Keenan purported to assign all of her interest in these claims to Northwest Defense Minerals, Inc. The instrument fails to state that the claims are located in the State of South Dakota, and the assignment should be corrected to so state.

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Lease dated August 7, 1948, from W. O. Fillmore (incorrectly recited as August 8, 1948, in the Appendix to the contract).

Lease dated November 1, 1949, from W. O. Fillmore and Lillian Fillmore.

Lease dated November 1, 1949, from W. O. Fillmore.

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Appendix I refers to the Golden Star No. 2 claim and two Gem claims leased by Dakota Tin and Gold Company by an instrument dated July 16, 1948. These claims apparently were leased directly to Northwest Defense Minerals by the instrument dated July 17, 1954, referred to above. The Owner's Consent to Lien refers to "Gold Star Claim" rather than the Golden Star No. 2 Claim, and this recital should be corrected by a new Owner's Consent to Lien covering this claim.

4. It should be noted that the Black Hills Tin lease dated August 26, 1954, to Northwest Defense Minerals, Inc., of MS. 393 (70 flats), is for a term of one year, renewable for two additional one-year periods.

/s/ H. C. Rubin
for J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

HCRubin/emd
~~JLHofflund/emd~~
Copy to: DMEA Docket
Solicitor's Docket
E. W. Ellis (2)
J. L. Hofflund
H. C. Rubin
chron.

Surname 700

F L Knouse
Ellis

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

INTERIOR DEPT.
SEP 30 1954
SOLICITOR

September 30, 1954

Memorandum

To: Acting Assistant Solicitor, DMEA

From: F. L. Knouse, Mining Engineer,
Rare and Misc. Metals Division

Subject: Docket No. DMEA-654 (Tin, columbium, tantalum, tungsten)
Contract No. Idm-E58
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota
Re: Amendment No. 8 and Assignment of Contract

Please review all the Owners' Consents to Lien for attachment to the drafted Amendment No. 8 and also the Operator's property interest assignments which were cited as requirements in your memoranda dated July 15, and August 17, 1954.

Your attention is directed to the Owner's Consent to Lien executed by the Black Hills Tin Company in favor of the Northwest Defense Minerals, Inc., for an attachment to Amendment No. 8. As Amendment No. 8 is between the Government and Peggy Keenan d/b/a Keenan Properties, and Peggy Keenan is President of Northwest Defense Minerals, Inc., would this consent be a satisfactory addition to the amendment?

Please also review the property assignments submitted by the Operator and advise if they meet the legal requirements as are set forth in your memoranda, before we authorize execution of the "Assignment of Contract" prepared by your office.

F. L. Knouse

Attachments

FLKnouse:am

cc to: Docket
Code 700
Mr. Knouse
Chrom

9/30/54 gla

INTERIOR DEPT.
OCT 5 - 1954
SOLICITOR

Office of the Minerals Administration
RECEIVED
SEP 30 1954

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

45 West 81st Street
New York, New York

September 27, 1954

Mr. Ernest Wm. Ellis, Chief
Rare and Miscellaneous Metals Division
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Dear Mr. Ellis:

It is regrettable that so many events beyond our control have delayed the Phase 2 exploration of the Exploration Project Contract, Docket No. DMA654X.

With reference to Amendment No. 7 signed May 10, 1954, by the Administrator, Mr. C. O. Mittendorf, I note that the time was extended to November 1, 1954.

Referring to our current correspondence, we are hopeful that Amendment No. 8 and the permission to assign the DMEA Contract to the Northwest Defense Minerals, Inc. will be granted.

As soon as those documents are completed, we request consideration of an extension of the contract because of the usual bad weather which will soon preclude outdoor work in South Dakota. We are submitting this request the usual thirty days in advance.

The Northwest Defense Minerals, Inc. plans production of 1,000 cubic yards per 24 hours in the Phase 1 area beginning May 1, 1955. Although I will personally be on the property lining up Phase 2 during the month of October 1954, we expect to finish Phase 2 in the spring at the same time that we are producing concentrates commercially. All of our plans are ready to proceed.

Too large

TIN, COLUMBIUM-TANTALUM
TUNGSTEN
GOLD

DEPARTMENT OF THE INTERIOR
Defense Minerals Administration
RECEIVED
SEP 28 1954

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

Office of the President

45 West 81st Street
New York, New York

September 27, 1954

Mr. Ernest Wm. Ellis, Chief
Defense Minerals Exploration Adm.
Rare & Miscellaneous Div. of Metals
Department of Interior
Washington D. C.

Dear Mr. Ellis:

Thank you for your note of September 24th and for the enclosed eight copies of Form MF-203.

Enclosed please find my notarized assignment of unpatented claims Gold Bond, Gold Bond 1, 4 and three Jims #5 to Northwest Defense Minerals Inc., together with the six copies of Owner's Consent to Lien.

Thanking you for your many courtesies to me,

Peggy Keenan, President

PEGGY KEENAN, PRESIDENT
NORTHWEST DEFENSE MINERALS, INC.

PK:eq
Encs.

[redacted]

70

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

SEP 24 1954

Miss Peggy Keenan
Standish Hall Hotel
45 West 81st Street
New York 24, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-458
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

In accordance with your telegram addressed to Mr. F. L. Knouse, herewith are enclosed eight copies of Form MF-203, Owner's Consent to Lien.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Enclosures 8

FLKnouse/gla
9-24-54
cc to: Admr. Reading File
Docket
Code 700
Mr.Knouse

CLASS OF SERVICE

This is a full-rate Telegram or Cablegram unless its deferred character is indicated by a suitable symbol above or preceding the address.

WESTERN UNION

W. P. MARSHALL, PRESIDENT

147 FX-1201

1954 SEP 24 AM 9 51

SYMBOLS

= Day Letter

NL = Night Letter

LT = Int'l Letter Telegram

VLT = Int'l Victory Ltr.

The filing time shown in the date line on telegrams and day letters is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

WP011 PD=NEWYORK NY 24 924AME=

F L KNOUSE, DEFENSE DEFENSE MINERALS EXPLORATION ADMN RARE AND MISCELLANEOUS METALS:
=DEPT OF THE INTERIOR=.

PLEASE MAIL 8 COPIES OWNERS CONSENT TO LIEN FOR GOLD BOND, 3 JIMS CLAIMS. WILL SEND COPY ASSIGNMENT OF THESE CLAIMS=

PEGGY KEENAN=

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

NORTHWEST DEFENSE MINERALS, IN.
2101 S Street N.W.
Washington, D.C.

Received
SEP 20 1954

45 West 81st. St., N.
New York 24, N.Y.

September 17th, 1954

Mr. Ernest William Ellis, Chief,
Rare & Miscellaneous Metals Division,
D.M.E.A.
Department of the Interior,
Washington, D.C.,

Dear Mr. Ellis:

Please find enclosed five copies of the Owners' Consent to Lien, executed by the Black Hills Tin Company, and which refers to our leased placer claim M.S. 393, known as 70 Flats, on lower Bear Creek. These documents are made in favor of Northwest Defense Minerals, Inc., (formerly Keenan Properties.)

Also please find enclosed a true copy of the lease just executed between the Northwest Defense Minerals, Inc., (Formerly Keenan Properties) and the Black Hills Tin Company.

Referring to my recent correspondence with Mr. Knouse, these documents would appear to be the last of those which are required by the D.M.E.A. for the consummation of the pending amendment and which are required for the consent by the D.M.E.A. to assign the July 16th, 1951 contract Idm 654, E-58 to Northwest Defense Minerals Inc.

Thanking you for all of your courtesies,

Peggy Keenan, President

Yours very truly,

Peggy Keenan, President,
Northwest Defense Minerals, Inc.

PK/sf

Attachments 400

Docket

NORTHWEST DEFENSE MINERALS, INC.
2101 "S" STREET, N. W.
WASHINGTON, D. C.

Present Address: Standish Hall
45 West 81 Street
New York, N. Y.
August 31, 1954

Mr. F. L. Knouse
Office of Rare and Miscellaneous Metals Division
DMEA, Department of the Interior
Washington, D. C.

DMEA-154
Copy to DMEA-Tech-ESL

Dear Mr. Knouse:

In answer to your letter of August 24, 1954, with enclosure of Black Hills Company letter, we herewith enclose a copy of the assignment of the Keenan Properties leases to the Northwest Defense Minerals, Inc.

The revised lease made directly between the Northwest Defense Minerals, Inc. and the Black Hills Tin Company has been signed by me and returned to Chicago for signature. A copy of the lease with the proper owner's consent to lien will be sent to your office in a few days.

I trust that this will complete our requirements satisfactorily so that we may receive the Amendment.

Yours very sincerely,

Northwest Defense Minerals Inc
Peggy Keenan, President

NORTHWEST DEFENSE MINERALS, INC.
Peggy Keenan, President

PK:sn

Surname 700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

F. L. Knouse
Mittendorf

AUG 24 1954

Miss Peggy Keenan
Standish Hall Hotel
45 West 81st Street
New York 24, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

This is in response to your letter dated August 17, 1954, with the attached letter from the Black Hills Tin Company, dated August 5, 1954, concerning the Owner's Consent to Lien covering the 70-Flat Placer - MS 393 on Bear Creek. If the Black Hills Tin Company executes a lease in favor of the Northwest Defense Minerals, Inc., and an Owner's Consent to Lien which cites the lease, we will require a copy of the lease.

The local office of the Northwest Defense Minerals, Inc., was contacted and Mr. James Everett Bacon, Executive Vice President, was requested to furnish certain information to enable us to proceed with the review of Peggy Keenan d/b/a Keenan Properties' assignment to the Northwest Defense Minerals, Inc.

The Black Hills Tin Company's letter is returned herewith as requested.

Sincerely yours,

SIGNED

F. L. Knouse
For: Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

Enclosure

FLKnouse/am
8-23-54

cc to: Admin Reading File
Docket
Mr. Knouse
Code 700
DMEA Field Team, Reg. V (2)

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

DOCKET COPY

August 20, 1954

Memorandum

To: File

From: F. L. Knouse, Mining Engineer
Rare & Misc. Metals Division

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota

Telephone conversation with Mr. James E. Bacon, Executive Vice President, Northwest Defense Minerals, Inc., Washington, D. C. telephone HObart 2-4478, regarding the following requirements before assignment can be executed:

1. We will require six copies Owner's Consent to Lien covering land parcel MS 393 to Flat Placer on Bear Creek.

2. Assignment is unacceptable to Government as your letter or the assignment mentions transfer of the land concerned in the project to the proposed Assignee of the contract. We will require a copy of said instrument if there is one.

3. If you have not transferred all your interest in the land concerned in the contract to the Corporation, we will require a copy of the instrument giving the Corporation an interest in the land for the purpose of the exploration project, that is, a lease, etc.

F. L. Knouse

DMEA
File Copy

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

August 17, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Keenan Properties, Docket No. DMA-654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58

We have reviewed the operator's letter dated August 10, addressed to Mr. Ellis, and the proposed assignment of the operator's interest in the contract to Northwest Defense Minerals, Inc.

As the assignment is unacceptable to us, we have prepared the attached combination Assignment of Contract, Assignee's Acceptance, and Government's Consent.

Neither the operator's letter nor the assignment mentions the transfer of land to the proposed assignee of the contract. Accordingly, the second recital in the attached assignment contains a blank for the insertion of the date of an instrument transferring the operator's interests in the land to the assignee of the exploration contract. We should request and be furnished with a copy of said instrument.

Finally, the requirements of our memorandum dated July 15 in connection with Amendment No. 8 are not affected by the assignment, that is, we still require new Owners' Consents to Lien on the latest forms for all land described in the contract which is not owned by the operator or the assignee of the contract. In this connection, if Peggy Keenan does not transfer to the corporation all her interest in the land which she owns, we will require a copy of the instrument giving the corporation an interest in the land for the purposes of the exploration project, that is, a lease, etc.

H Henry C. Rubin

For J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 6

HCRubin:ep

Copy to: Solicitor's Docket
DMEA Docket
Mr. Ellis (2)
Mr. Hofflund
Mr. Rubin
Chron.

8-20-54
a.m.

Informal Memo Aug 17

Dear Mr. Ellis:

The enclosed letter and copy of lease was here in N.Y. when I returned from Baltimore. The lease is made with K.P. Inc & cannot be assigned. It has to be made with Northwest Defense Minerals, Inc, so no assignment will be necessary. This the Black Hills Tin people will do. The letter states new sub-ordination agreement is waiting. I will send six blank copies so that the sub ord - will read "N.W Def Inc"

The lithium inf - is confidential I am acquiring this deposit.

Please return B H T letter - In haste

Sincerely

Iggy Keenan

Mines
L[illegible]ence County, Tinton, S.

DOCKET COPY
DMEA - 651X

BLACK HILLS TIN COMPANY
Suite 1950
331 South Michigan Avenue
Chigago, Ill.

August 5th,1954

Miss Peggy Keenan
Standish Hall
45 West 81st Street
New York, N. Y.

Dear Miss Keenan:

This will acknowledge receipt of your letter of July 30th, addressed to Mr. Beatty. I am enclosing herewith one copy of lease newly drawn to cover present situation. If this meets with your approval kindly execute and return to this office. We will then forward to you one copy of the lease duly executed. by Mr. Beatty, also executed DMEA documents.

In regard to the information you require about the Spodumene ore body, we can provide the following information:

1 - Lithia runs from 1.5% to 4% and 5%. It is our judgment that the average analyses is 1.8% and 2%.

2 - We estimate the present quite well defined ore body at 50,000 tons, including large quantity in the dumps. If the ore body plunges to the north as is indicated by certain workings at the 60 ft. level, the ore body could be developed in size. This would have to be established by diamond drilling.

3 - The ore body is sufficient width so that it is inducive to open cut shovel operation. Cost of mining per ton including trucking to the mill and a certain amount of hand sorting does not exceed $1.50. This, of course, assumes proper equipment.

4 - Mill cost including froth floatation, drying, pumping water, etc., does not exceed $4.00 per ton, and could be easily reduced with an increase in tonnage.

Very truly yours,

BLACK HILLS TIN COMPANY

BY: /s/ E. A. Brophy
E. A. BROPHY

EAB/K

C
O
P
Y

8-25-54
G. Cu.

NORTHWEST DEFENSE MINERALS, INC.
2101 "S" STREET, N.W.
WASHINGTON, D. C.

Present Address: Standish Hall
45 West 81st Street
New York, N. Y.

August 23, 1954

Mr. F. S. Knouse, Mining Engineer
Rare and Miscellaneous Metals Division
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

SUBJECT: Northwest Defense Minerals, Inc.

Dear Mr. Knouse:

Mr. James E. Bacon, Executive Vice-President of Northwest Defense Minerals, Inc. has advised that you have telephoned to him for some required information regarding Northwest Defense Minerals, Inc. for the Legal Division. We will send this letter to Mr. Bacon for personal delivery and try to comply with your needs.

The original leases are in the files of the DMEA. There has been no change in the leases. These leases were assigned to the Northwest Defense Minerals on the bottom of the copies of each lease (except Sand Creek lease which is inactive). The Corporation is not entering directly into the leases. It now owns the leases by assignment. The leases were submitted to the DMEA July 16, 1951, with all owners' consents to lien, and the new owners' consents to lien were sent to Mr. Ernest Wm. Ellis in August 1954. I have asked Mr. Carey, the attorney, to make a document regarding these assignments so that you may have the formal document requested.

On August 18th, I sent an original of the Black Hills Tin Company letter to Mr. Ellis. This company agrees to our releasing MS 393 and to the owner's consent to lien. I will forward the documents as soon as received as follows:

1. Copy of Lease assignment.
2. Black Hills Tin Company lease.
3. Black Hills Tin Company consent to lien.

Yours very truly,

Peggy Keenan, President

PEGGY KEENAN, President
Northwest Defense Minerals, Inc.

PK:sn

8/12/54 a.m. gla

KEENAN PROPERTIES
Spearfish, South Dakota

Standish Hall Hotel
45 W. 81st Street
New York 24, N. Y.

August 10, 1954

Mr. Ernest William Ellis, Chief
Rare & Miscellaneous Metals Division
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Dear Mr. Ellis:

Enclosed please find an executed assignment of my DMEA contract Idm E-58, Docket 654, dated July 16, 1951, to Northwest Defense Minerals, Inc., 2101 S Street, N. W., Washington, D. C. Accompanying the assignment is a copy of the Northwest Defense Minerals, Inc. charter, which was requested by the DMEA Legal Division. No. 24478

The present Corporation will administer the properties formerly known as Keenan Properties and will carry out all contracts and responsibilities. The Northwest Defense Minerals, Inc. Board of Directors is as follows:

Peggy Keenan - President and Director
2101 S Street, N. W., Washington, D. C.

James Everett Bacon - Executive Vice-President & Director
2101 S Street, N. W., Washington, D. C.

G. W. Jarman - Vice-President and Director
110 E. 42nd Street, New York, N. Y.

W. Robert Hunter - Vice-President and Director
Winters Bank Building, Dayton, Ohio

Col. Daniel D. Streeter - Treasurer and Director
214 Fenimore Street, Brooklyn, New York

KEENAN PROPERTIES
Spearfish, South Dakota

Standish Hall Hotel
45 W. 81st Street
New York 24, N. Y.

Page #2

August 10, 1954

John F. Stanwell-Fletcher - Secretary & Director
Explorers Club, 10 W. 72nd Street, New York, N.Y.

William E. Campbell - Director
32 North Western Avenue, Dayton, Ohio

It is my understanding that the DMEA Legal Division may execute an acceptance of the enclosed legal assignment drawn by Mr. James Carey, 3d, Marshall, Carey & Mundy, Baltimore, Maryland.

Thanking you for all past courtesies,

Yours very truly,

Peggy Keenan

Peggy Keenan
d/b/a Keenan Properties

PK:rh

Enclosures

8-10-54
a-la.

KEENAN PROPERTIES

SPEARFISH, SOUTH DAKOTA

Uncor. 654

Present Address: Standish Hall
45 West 81st Street
New York, N. Y.

August 5, 1954

Mr. Ernest William Ellis
Chief, Rare & Misc. Metals Division
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

Dear Mr. Ellis:

Thank you for your letter of July 30, 1954. Enclosed please find five copies of each set of Sub-Ordination Agreements with corrections.

I expect to hear from the owners of the MS 393 property regarding their Sub-Ordination Agreement, and I will advise at once.

Yours very truly,

Peggy Keenan

PEGGY KEENAN
d/b/a
Keenan Properties

PK:sn

enc.

a. Ce.
8-9-54

KEENAN PROPERTIES

SPEARFISH, SOUTH DAKOTA

Present Address: Standish Hall
45 West 81 Street
New York, N. Y.

August 5, 1954

Mr. Ernest William Ellis
Chief, Rare & Misc. Metals Division
Defense Minerals Exploration Administration
Department of the Interior
Washington, D. C.

Dear Mr. Ellis:

The Keenan Properties are being assigned to Northwest Defense Minerals, Inc., a Maryland corporation, on Monday, August 8, 1954. I will control the stock of the corporation and act as President.

I herewith formally request permission to assign my Government Contract Docket DMEA-654 Contract IdmE-58.

The lawyers for the corporation are drafting an assignment of my contract with the U. S. Government dated July 16, 1951, to Northwest Defense Minerals, Inc. with headquarters and offices at 2101 "S" St. N.W., Washington, D.C. I expect to submit this assignment through you to the DMEA Legal about Tuesday, August 9, 1954. Do I need to show any papers other than this assignment, such as the signed charter of the new corporation, when I submit the assignment?

Yours very truly,

Peggy Keenan

PEGGY KEENAN
d/b/a
Keenan Properties

PK:sn

Surname
Docket copy

700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

Miss Peggy Keenan
c/o Hotel Standish Hall
45 West 81st Street
New York 24, New York

JUL 30 1954

Re: Docket No. DMEA-654
(Tin, columbium, tantalum, tungsten)
Contract No. Idm-E58
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

This refers to my letter of July 19, 1954, in which I requested signed copies of the new Owner's Consent to Lien form covering all the land included in Phases I and II of the contract and our telephone call of July 29 in which I stated that we had received some of the signed forms but that not all of the land covered by the contract was mentioned. You explained that the 70 Flats area, known as Placer Claim Lot No. 393, was owned by a Chicago man who at this time of year was at his summer camp; however, you believed the forms you sent to him would be received in due time and would be properly executed.

Therefore, in accordance with your request, I am returning the three sets of forms herewith so that those claims that were not mentioned may be included. You will note that we received only five copies in each case and since these papers came direct from Spearfish, South Dakota, without a covering letter, I assume the landowner kept a copy for his file. However, it will not be necessary to call for the missing copies as we can take care of that matter here.

In addition to the Owner's Consent to Lien form covering Lot 393 (70 Flats) which, as stated before, you explained you believe will be forthcoming, the enclosed forms fail to mention the following claims:

Union No. 7 - Leased from L. C. and W. O. Fillmore (Connor's ground) by instrument dated November 1, 1949. Unrecorded.

Mayflower Nos. 1, 2, 3 and 4 - Leased from W. O. Fillmore by instrument dated August 8, 1948. Unrecorded.

Elisabeth Nos. 7, 8, 9, 10, 11, 12, 13 and 14 - Leased from L. C. and W. O. Fillmore (Connor's ground) by instrument dated June 14, 1948, recorded in book 301, pages 157 and 164.

R.C.H.

I am enclosing twenty-four copies of the new Owner's Consent to Lien, Form MF-203, revised July 1, 1954, for your use should they be required.

Sincerely yours,

Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

Enclosures

EWEllis/gla
7-30-54
cc to: Admr. Reading File
Docket
Messrs. A. Renick, Rm. 3624
Benjamin Gildersleeve, Rm. 5221
Code 700
DMEA Field Team, Region V (2)

7/15/54 gla

DMEA-654

Hotel Standish Hall

45 WEST 81st STREET
NEW YORK 24, N. Y.

July 15 1954

Mr. Ernest Ellis Chief
Rare & Miscellaneous Metals
DMEA
Department of Interior
Washington D.C.

Dear Mr. Ellis:

To date, I have not received word from the DMEA Field Chief in Minneapolis regarding the granting of the request for a change in specifications in the Phase 2 test work.

Would you please advise me when we may receive official word on the request. Everything is going fine.

Thank you for your many courtesies, Yours very truly,

Jerry Keenan

Taken care of by phone call and letters, both on Monday, July 19, 1954.
Contract No. Idm-E58, DMEA-654

DMEA
File Copy
Surname

Rubin
Hofflund

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

July 15, 1954

Memorandum

To: The Administrator, DMEA
Through: Mr. E. W. Ellis

From: Acting Assistant Solicitor, Defense Minerals

Subject: Keenan Properties, Docket No. DMA-654X (Tin, Columbium, Tantalum, Tungsten), Contract Idm-E58

Attached is Amendment No. 8 to the above-captioned contract in satisfactory legal form for execution, subject to the attachment of Owners' Consents to Lien on the latest revised form to replace the Subordination Agreements dated June 16, 1951, and to replace the Owners' Consents to Lien on the old form provided with Amendment No. 3.

J. L. Hofflund

J. L. Hofflund
Acting Assistant Solicitor
Defense Minerals

Attachments 6

HCRubin:ep

Copy to: Solicitor's Docket
DMEA Docket
Mr. Ellis (2)
Mr. Hofflund
Mr. Rubin
Chron.

Surname 700

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

F. L. Knouse
Ellis

July 1, 1954

Memorandum

To: Acting Assistant Solicitor, DMEA

From: Ernest Wm. Ellis, Chief
Rare and Misc. Metals Division

Subject: Docket No. DMEA-654
(Tin, columbium, tantalum, tungsten)
Contract Idm-E58
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota
Amendment No. 8

Please draft Amendment No. 8 to the subject contract which will permit the concentration and recovery of the metals and/or minerals from the materials obtained from the drill holes or test pits by either the method described in Amendment No. 3 "Exhibit 'A' 'Description of the Work', under General Conditions" paragraphs 1 and 2, or by the equipment described in the attached "Keenan Properties Test Flow Sheet, March 22nd, 1954, outlined by G. W. Jarman." No additional expense will be allowed for the purchase, rental, or transportation of the proposed equipment, outlined by Mr. Jarman, which the Operator now wishes to use.

Ernest Wm. Ellis

Ernest Wm. Ellis

FLKnouse/am
cc to: Docket
Code 700 Contract File
FLKnouse

R.C.B.

KOPMAN PROPERTIES TEST FLOW SHEET. MARCH 22nd, 1954.

Outlined by C.V. Jarman.

			WT
		Hopper (KP)	
	Water		
$1,000	1 HP	½" — 1" Overstrom Step Screen + 1" to waste	1,000 lbs
	Will handle 2 tons per hr in-feed.	-- 1" + ½" to Picking Belt	1,000 lbs
		½"	
		Dryer (KP)	
600.	½ HP	Richmond Gyro Whip Screen	500 lbs
550.	½ HP	S.S.A 3. V-80 Whippet	200 lbs
		Lights to waste — Heavies	
1,100.	½ HP	Carpco Magnetic Separator	600 lbs
2,500.	½ HP	Carpco Electrostatic Separator	1,000 lbs
$ 6,550.	5½ HP		

Note: Requires 5 HP Engine Generator Set, sing phase 60 cycle, 110 V. (Rental)

LEGEND OF THE SEPARATION PROCESS

KOPMAN PROPERTIES, MARCH 22,1954.

Outlined by C.V.Jarman.

Richmond Gyro Whip Screen (Dry)

Each screen size successively

V-80 Whippet

Lights to waste — Heavies — 3.30 sp.gr.

Carpco Magnetic separator

Magnetic

1st pass. Magnetite to waste

2nd pass. Garnet, Ilmenite, Hornblende,(back to table)etc.

3rd.pass. Monozite sands.

Non-Magnetic

Zircon
Rutile, Scheelite
Columbium-tantalum
Gold, Cassiterite

Carpco Electrostatic Separator

Conductors

Rutile, Columbium-Tantalum, Cassiterite, (back to table)etc.

Non-Conductors

Gold, Scheelite, Zircon.(back to table)etc.

6/30/54 gla

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

June 24, 1954

Memorandum

To: Chairman, Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 654, Contract E-58, Keenan Properties

Reference is to your correspondence of June 7, 1954, having to do with a change in the flow sheet for treatment of samples from the subject project.

After considerable study by the field team and its consultants, it is the opinion of this office that permission could be given the operator to use the flowscheme. However, the contract should be so amended to record the fact that any additional expense in connection with its use (and that includes freight on the flow sheet equipment) will be borne by the operator. Item 8, Contingencies, unforeseen expenses, $2,000, seems a good catchall for just such items and should be carefully audited. We are not receptive to having the operator re-run by the new flow sheet any splits of samples from Phase 1 on the Phase 2 expenses. If done at the operator's expense, we should be permitted the results.

The proposed flow sheet may or may not be feasible - we have no data on recoveries or grades and are in a position of approving a flowscheme on the operator's say so.

We concur with you that the contract should be followed in regard to the churn drill holes and the test pits.

We feel the total cost of the proposed work should not be changed from that of the present total cost.

A. B. Needham

A. B. NEEDHAM

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

June 10, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket DMEA 654, Contract Idm E-58, Lawrence County, So. Dak.

Reference is made to your letter of June 7, 1954.

Enclosed herewith is your copy of the flow-sheet, as suggested by G. W. Jarman.

Our opinions on the changes and flow-sheet, as requested in your memorandum, will follow shortly.

Walter E. Lewis
WALTER E. LEWIS
Acting for A. B. Needham

Attachment

700

Docket
Surname

Mr. Selfridge
Yes
Mr. Hendley

JUN - 7 1954

Mr. A. S. Needham
Executive Officer
DMEA Field Team, Region V
2308 Colfax Avenue, South
Minneapolis 8, Minnesota

Re: Docket No. DMEA-653
(Tin, columbium, tantalum, tungsten)
Contract No. Ida-258
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota

Dear Mr. Needham:

Enclosed find copies of letters from Peggy Keenan, dated May 28, and the Separations Engineering Corporation, dated May 25, 1954, together with a copy of a proposed flow sheet for testing the samples taken under Phase II of the Keenan property project.

You will note from the enclosures that the proposed flow sheet is somewhat different than heretofore approved. However, as stated in the Keenan letter, the flow sheet for the test work was evidently designed after careful technical consideration based on physical work on samples taken from the property.

While we do not have a working knowledge of the equipment as shown in the flow sheet, since it has been put into actual use and the Applicant is willing to stand the expense of any overexpenditures under Phase II, we see no objection to the flow sheet as submitted. However, we thought it best to forward a copy of the flow sheet to you for your understanding and approval before going further. If you have no serious objection to the proposed flow sheet, kindly so state and we will draw up an amendment to take care of the change in testing equipment. Certainly if we go along with their idea in this matter they cannot blame this equipment in the event the values that are sought appear to be low.

Since we have only one copy of the flow sheet, it will be necessary to have duplicates made for your purposes and our own files. If you can have the enclosed copy duplicated, please have sufficient copies made for your own purposes and return the enclosed copy to this office. Otherwise, please return the flow sheet to this office and we will have photostats made and forward two copies to you.

R.C.G.

We are unable to understand the third paragraph of Mr. Jarman's letter wherein he requests permission ". . . not to drill but sink pits and put that material through this pilot plant . . .". We feel that the contract as drawn up should be followed; that is, so many lines of holes and so many pits. In other words, the sampling work as outlined in the contract should be followed. Please let us have your recommendation in this matter.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHS)

Enclosures: 5

APPROVED:

J. H. Hedges

Member, Bureau of Mines (JHS)

D. M. Larrabee

Member, Geological Survey (JHS)

EMEllis/fee
6-4-54
cc to: Adm. Reading File
Operating Comm.
Apostolick, Rm. 362h
Messrs. Benjamin Gildersleeve, Rm. B-242-A
Code 700
DMEA Field Team, Region V

6/2/54 gla

KEENAN PROPERTIES

Spearfish, South Dakota

Hotel Standish Hall,
45 West 81st. St.,
New York 24, N.Y.

May 28th, 1954

Mr. Ernest William Ellis,
Chief, Rare and Misc. Metals & Minerals,
DMEA.
Department of the Interior,
Washington, D.C.

Dear Mr. Ellis:

Thank you for your courtesy in sending the two small maps of Keenan Properties area and for your good wishes.

The attached Test Plant Flow Sheet marked "A", and a letter from Mr. G.W. Jarman, President, Separations Engineering Corporation, dated May 25, 1954, marked "B" are made a part of this letter and serve as a basis of request. But the request, if granted, and attendent expenses incurred over and above the authorized expenditure for Phase 2, dated October 28, 1952, will be borne by Peggy Keenan d/b/a Keenan Properties, and/or a corporation being formed which will be responsible, as outlined in the attached documents.

Our request to change the test plant specifications and equipment, methods of excavation, method of preparation of separated concentrates before being sent to the assayer and the elimination of the Humphrey Spiral (as approved September 1953) has been given careful technical consideration, including actual physical work on concentrates. The methods outlined are being used in successful commercial operations and we feel the approval of DMEA will aid our future testing materially.

Where possible we would like permission to rent the equipment to the Phase 2 project, without altering the total budget.

We wish to engage Mr. R.M. Atwater Jr., #1 Wall St., N.Y. as superintendent engineer of Phase 2. He is in complete accord with Mr. Jarman. Mr. Atwater was approved in 1953 by the DMEA Field Office.

We will submit a document assignment of our DMEA contract to a corporation with a request to assign it. I will await the approval of DMEA on the Phase 2 changes in specifications.

Thanking you for your courtesy,

Yours very truly,

Peggy Keenan

Peggy Keenan
d/b/a Keenan Properties.

Enclosed copy for the Field
cc to Mr. Jarman
Mr. Atwater

SEPARATIONS ENGINEERING CORPORATION

AIR TABLES
ELECTROSTATIC SEPARATORS
MAGNETIC SEPARATORS
SCREENS-GRADERS

110 EAST 42ND STREET
NEW YORK 17, N. Y.
TELEPHONE ~~MURRAY HILL 3-7261-7262~~
CABLE ADDRESS SEPARATION, N. Y.
BENTLEY'S & A.B.C 5TH EDITION
Telephone: OXford 7-1863-1864

May 25, 1954
(Dictated 5/24/54)

Miss Peggy Keenan
Keenan Properties
45 West 81st Street
New York, N. Y.

Dear Peggy:

In response to yours of May 22nd, I am returning the flow sheets, as per your request, and suggest that you ask permission to set up this small pilot plant in the following language.

Permission is requested to treat the material in a small pilot plant of laboratory size, which will not include a Humphreys Spiral. The reason for this is that we intend to dry all the material, put it over a Model V-80 Sutton, Steele & Steele Air Table after it has been dried and screened. The recovery under this system may be a little better than the Humphreys but the cost of drying the original ore would outweigh this. Inasmuch as the object of this is to find out what is in the placers, tonnage recoveries can be gone into at a later date. For example, we know that panning loses some value but drying, screening into close fractional sizes and putting over air tables, electromagnetic separators and electrostatic separators will recover all of the values. In commercial work, Baum type jigs followed by Humphreys Spirals for the fines and then followed by air tabling, electrostatic and electromagnetic separation would give the same results. But the pilot plant does not intend to put in a Baum type jig as the smallest size unit is too expensive. Hence our request for permission to do no panning but to dry, screen size and put all the material from drill holes, pits, etc. into the pilot plant equipment.

We further request permission not to drill but to sink pits and put that material through this pilot plant so that we can separate all the heavies into their component parts for analyses. Thus, samples would be given only of finished material, not rough heavies, and the mineral value of the entire deposit can be more definitely ascertained in this manner.

We also request permission to run overburden through this plant and discard the depth that proves to be uneconomical. In other words, if we put the overburden of a pit to a certain depth through the plant and it turns out to be lacking in economic mineral value, this can be discarded before the placer is evaluated.

Yours very truly,
SEPARATIONS ENGINEERING CORPORATION

President

G.W.Jarman
ib/enc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
~~WASHINGTON 25, D.C.~~
Region V
2908 Colfax Avenue South
Minneapolis 8, Minnesota

May 24, 1954

Memorandum

To: Operating Committee, Defense Minerals Exploration Administration, Washington, D. C.

From: Executive Officer, Field Team, Region V

Subject: Docket 654X, Contract E-58 - Keenan Properties

Here are the original and two copies of Amendment No. 7, which was sent by your office for execution by the operator.

One copy has been transmitted to the Regional Fiscal Section and a copy retained by the operator and this office.

A. B. Needham
A. B. NEEDHAM

Attachments

Docket
Surname

Ellis
Wattendorf

MAY 24 1954

Miss Peggy Keenan
Standish Hall Hotel
45 West 81st Street
New York, New York

Re: Docket No. DMEA-654
(Tin, columbium, tantalum, tungsten)
Contract No. Idm-858
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

In accordance with your request of May 14, 1954, I am enclosing 2 photostats of the map you have misplaced. I am sorry that reply has been delayed a few days, but we had no duplicates and had to have copies made. I trust these reach you before you leave for South Dakota.

With best wishes on the continuance of the exploration work under Phase II, I am

Sincerely yours,

S[illegible]

C 5.24

Ernest Wm. Ellis, Chief
Rare & Misc. Metals Division

Enclosures 2

EWE:foc 5-21-54
cc to: Admr. Reading File
Docket
Code 700

5/18/54 gla

Keenan Properties
Spearfish
So Dak

Standish Hale Hotel
New York
May 14, 1954

Bureau Mines
Rec
MAY 18 1954

Mr. Ernest Ellis, Chief
Rare and Miscellaneous Metals & Minerals
DMEA
Dep't of Interior
Washington, D.C.

Dear Mr. Ellis:

The extension for Phase 2 has been received, and I appreciate this very much.

As mentioned last month, I expect to go to So Dak in a few days.

In the meantime, I have misplaced the small map which accompanied Phase 2. Could you please send me 2 copies to my New York address, one for my use and one for the engineer.

I will write again very shortly.

Yours, Sincerely

Peggy Keenan

700

DOCKET
SURNAME
F. L. Krause
Ellis
Chambers
Selfridge
Johnson

MAY 11 1954

Mr. A. B. Needham
Executive Officer
DMEA Field Team, Region V
3508 Calfax Avenue, South
Minneapolis 8, Minnesota

Re: Docket No. DMEA-654
(Tin, columbium, tantalum, tungsten)
Contract No. Ida-258
Peggy Keenan d/b/a Keenan Properties
Lawrence County, South Dakota

Dear Mr. Needham:

Enclosed are the original and five copies of proposed Amendment No. 7 to the subject contract, signed by the Administrator for the Government, which was prepared at the request of the Operator.

If the terms and conditions of this amendment meet with your approval and the Operator's, please have the original and all copies signed by the official authorized to sign the document and make the usual distribution of the amendment.

If any part of this proposed amendment does not have either your approval or that of the Operator and cannot be amended within your delegated authority, the original and all copies are to be returned with the proposed changes for consideration.

We are enclosing copies of the Operator's letter (undated) requesting this amendment, in the event that you did not receive your copy.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (JHB)

Enclosures 6

APPROVED:

J. H. Hedges
Member, Bureau of Mines (JHB)

T. P. Thayer
Member, Geological Survey (JHB)

FLKrause:fec 5-7-54
cc to: Admr. Reading File
Operating Comm.
Docket
Messrs. A. Reniek, USBM - Rm. 3624
Benjamin Gildersleeve, Rm B-2424/ GSA
DMEA Field Team, Region 5
Code 700
Mr. Knouse

R.C.G.

654

KEENAN PROPERTIES
Spearfish, South Dakota

Present Address: Standish Hall Hotel
45 West 81st Street
New York, New York

Mr. C. O. Mittendorf, Director
Defense Minerals Exploration Administration
Department of Interior
Washington, D. C.

Dear Mr. Mittendorf:

Referring to the extension of DMEA contract Idm E-58 for Lawrence County, South Dakota, to June 30, 1954:

I herewith request an amendment extending the date to include the balance of 1954. The very heavy snow storms late this Spring and other conditions beyond my control make this request for extension necessary. We expect to start the Phase 2 work about May 1, or when testing equipment arrives in South Dakota by freight. The Phase 2 amendment specifies about 100 days for testing. Therefore, I believe we will need this summer to complete our planned work with DMEA.

Thanking you for your many courtesies,

Yours very truly,

Peggy Keenan

Peggy Keenan
d/b/a KEENAN PROPERTIES

PK/jh

cc: Mr. Ernest Ellis
Mr. A. B. Needham

2/8/54 gla

Defense Minerals Administration
RECEIVED
FEB 8 1954

Apartment 605A
4000 Cathedral Ave.
Washington, D. C.

DME A-654

Mr. A. B. Needham, Chief
Region V Field Team
Bureau of Mines
Dept. of Interior
Minneapolis, Minn.

Dear Mr. Needham:

We regret that this is to advise that our selected engineer, Robert Michael, died in New York, December 22, 1953.

The enclosed data regarding Mr. Arnold H. Miller, engineer, is for your consideration of our request herewith for approval from your division for Mr. Arnold H. Miller to be project engineer for Keenan Properties for Phase 2 of the DMEA contract.

Yours very truly,

Peggy Keenan

Peggy Keenan

PK/jh

Enc.

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Field Officer, OME

Date:

Concerning: Northwest Defense Minerals, Inc. (Assignee)
Docket No. DMEA-654 (Tin, Cb, Ta and W.
Property Keenan Properties
Location Lawrence County, So. Dakota
Contract IDM-E 58

Mr. Ross J. Beatty, Jr.
Black Hills Tin Company
Suite 1950
332 South Michigan Avenue
Chicago 4, Illinois

see his letter 6/2/59
in folder E3
Biography

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return one copy to this office with copies of any pertinent documents.

Field Officer

1. Since May 29 1959 has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☐

2. Since May 29 1959, has there been any production from the property?* Yes ☐ No ☐

   A. If so and it was shipped, give name and address of purchaser?

   _____ Quantity _____ Value _____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

Submitted by:

Name _____ Title _____

Address _____ Date _____

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

REQUEST FOR INFORMATION
FROM OPERATOR ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

OK

Mangelly

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION

From: Field Officer, OME

Concerning: Northwest Defense Minerals, Inc (Assignee)
Docket No. DMEA-6546 (Sn, Cb, Ta and W)
Property Keenan Properties
Location Lawrence County, S. Dakota
Contract Idm-658

Date:

Write To:
- Miss Peggy Keenan, President -
Northwest Defense Minerals, Inc.
No. 1-D
1322 Second Avenue
New York 21, New York

With the certification of the exploration project identified above, you were asked to inform our office about changes in the status of the property and production from it.

To assist you to furnish this information and to assure the accuracy of our records, we ask that you answer the questions below and return one copy to this office with copies of any pertinent documents.

date of certification ← do not type

Field Officer

1. Since 5/29/59, has there been a change in ownership, lease, or sublease about which the OME has not been notified? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents. Yes ☐ No ☐

2. Since 5/29/59, has there been any production from the property?* Yes ☐ No ☐

A. If so and it was shipped, give name and address of purchaser?

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity	Estimated Grade	Location
Ore	Tons		
Concentrates	Tons		
Other	Tons		

Submitted by:

Name _____ Title _____

Address _____ Date _____

MME Form 63 8-60 * Property means land subject to the contract. 79340-60

DMEA Form 18
Feb. 58

DEFENSE MINERALS EXPLORATION ADMINISTRATION

ANALYSIS OF SEMIANNUAL REPORT OF CERTIFIED PROJECT

Prepare in duplicate. File original in Official Docket. Send copy

To: Statistics Branch (Code 210)

From: Division of

Report Period	
7/24/59	

DMEA No.	Operator	Contract No.
654X	Northwest Defense Minerals Inc. (Assignee)	Idm-E 58

ORE ESTIMATES

1959 Metal prices

	Tons Cu. Yds	Analysis Values/Cu. yd
DMEA	342,698	U $0.8142, Co-Ta $0.07, Sn $0.03 (Total $0.9142)
Operator to date	—	
Total	342,698	
Production to date	—	
Ore in ground	342,698	

INVESTMENT

Type	Size		Feet	Cost
Shafts				
Winzes				
Drifts and Crosscuts				
Raises				
Drilling	Type			
Rehabilitation	Description			

FACILITIES

Mine Plant		
Mill		
Roads		

REMARKS

~~The report greatly [illegible] explained to date.~~

Prepared by F.M. Murphy Date 7/24/59

31398

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
12/9/66	Kirkemo	120
		220

DEC 9 1966

Miss Peggy Keenan
President, Northwest Beryllium Corp.
218-219 American National Bank Building
Rapid City, South Dakota

Re: DMEA-684 (Tin-Columbium-Tantalum-Tungsten)
Northwest Reforms Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract 14n-858

Dear Miss Keenan:

By the terms of the subject Exploration Project Contract, as amended, and the certification of discovery or development dated May 29, 1959, all minerals mined or produced from July 16, 1951, to July 16, 1966, were subject to the Government's royalty as set forth in said contract.

As the period during which production was subject to royalty has now expired, the Government according to its present records retains no claim or lien against the property subject to the contract or any production therefrom. We, therefore, are closing our books and records on this contract. Your attention, however, is called to the provisions of the contract which require the Operator to keep and preserve certain records for the periods indicated.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

cc: Director's Reading File
Division File
Economic Geology File
Budget & Finance
DMEA Docket
OME Reading File
Region III w/cy inc. 63
120M
Mr. W. O. Fillmore, Spearfish, South Dakota
Mrs. Lillian G. Fillmore, Spearfish, South Dakota

MMerrithew/mm (12/9/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
12/9/66	Kitchener	120
		920

Mrs. Lillian G. Fillmore

DEC 9 1966

Spearfish, South Dakota

Re: DMEA-654 (Tin-Columbium-Tantalum-Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract Idm-458

Dear Mrs. Fillmore:

Enclosed is a copy of a self-explanatory letter of today to Miss Peggy Keenan.

This correspondence relates to the agreements executed by you in connection with the subject contract under the Defense Minerals Exploration Administration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
DMEA Docket
OME Reading File
Region III
120M

MMerrithew/mm (12/9/66)

23263

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
12/9/66	Kirkemo	120
		220

Mr. W. O. Fillmore

Spearfish, South Dakota

Re: DMEA-654 (Tin-Columbium-Tantalum-Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract 14m-458

Dear Mr. Fillmore:

Enclosed is a copy of a self-explanatory letter of today to Miss Peggy Keenan.

This correspondence relates to the agreements executed by you in connection with the subject contract under the Defense Minerals Exploration Administration program.

Sincerely yours,

FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Enclosure

cc: Director's Reading File
Division File
Economic Geology File
OME Reading File
DMEA Docket
Region III
120M

MMerrithew/mm (12/9/66)

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

August 17, 1966

Miss Peggy Keenan
President, Northwest Beryllium Corp.
218-219 American National Bank Bldg.
Rapid City, South Dakota

Re: DMEA-654 (Tin, Columbium-Tantalum-Tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract Idm-E58

Dear Miss Keenan:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

OFFICIAL COPY
O. M. E.
RECEIVED
T 1966
INITIALS | CODE
8/1/66 M 120 MK
TED 110

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

MME Form 63
Revised 7-65

REQUEST FOR INFORMATION ON CERTIFIED PROJECT
AND PROJECT UNDER ROYALTY AGREEMENT

From January 1966 to July 16, 1966

1. ~~XXXX~~ , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

From January 1966 to July 16, 1966

2. ~~XXXX~~ , has there been any production from the land subject to the contract? Yes [ ] No [X]

A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

B. If stockpiled awaiting sale, state quantity, grade, and location. NONE

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes [ ] No [X]

If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Peggy Keenan Title President

Address Am Nat'l Bank Date August 24 66

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
FEDERAL CENTER, DENVER, COLORADO 80225
Office of Minerals Exploration

OFFICIAL COPY
O. M. E.
RECEIVED
DEC 8 1966
INTERY. FILE CODE
120 M
Fig 110
120 M

December 6, 1966

Memorandum

To: Chief, OME

From: Field Officer, Region III

Subject: DMEA-654X (Tin Columbium-Tantalum, Tungsten) Contract Idm-E-58, Northwest Defense Minerals Inc. (Rawlins Mining District) Lawrence County, South Dakota

The Chief, OME requested a final on-site examination be made on the subject property in view of the fact that the royalty period on the subject contract expired July 16, 1966. The request was made on August 17, 1966 and an on-site examination was made on August 26, 1966, in conjunction with another field examination. Miss Peggy Keenan was contacted by telephone and an examination date was established. Miss Keenan informed me that the Beaver Creek portion of the area was inaccessible due to heavy flash floods that occurred in the area during May 1965. Mr. A. I. Johnson, the operator's mining engineer accompanied the Field Officer on August 26, 1966 and the following areas were inspected; see attached figures (Figure 3--Map showing locations of project areas, Northwest Defense Minerals, Inc., Lawrence County, South Dakota DMA-654X, Contract Idm-E-58).

Area "A", Bear Creek Trenches: An inspection was begun on the south end near Tinton, South Dakota, and it was ascertained that trenches 5, 4, 3, 2 and 1 were still in evidence despite effects of the floods during May, 1965. The trenches had been pretty well grown over but had been cut deep enough and long enough to remain clearly visible, although no further work has been done along them and certainly no production has been made from any of the 5 trenches in this area.

Area "B", Potato Creek Trenches, were inspected, and trenches 6, 7, 8 and 9 were found to be in much the same state as the trenches in Area "A" along the Bear Creek drainage. No production has come from trenches 7, 8 and 9 as they were essentially the same dimension as originally dozed.

Area "C" Bear Creek Holes: Test pits 1 and 2 were difficult to find but there was enough dump material left near the sites to locate them. Test

holes 6 and 7 and holes 8 and 9 were somewhat visible but holes 1, 1A, 2, 3, 4 and 5 had been essentially obliterated. No production is in evidence from this area as well.

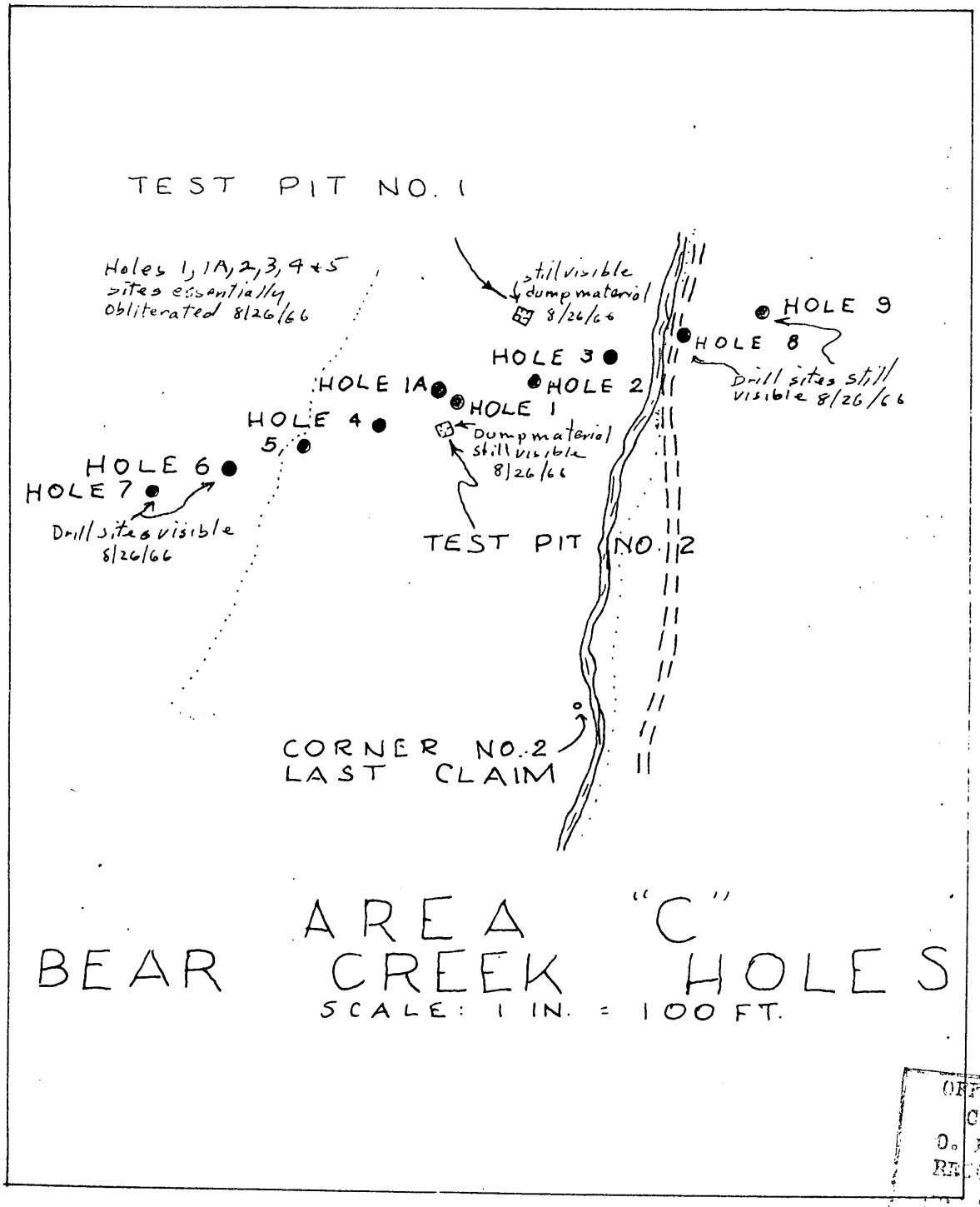
Area "D", Beaver Creek holes, near the road junction as Iron Creek along the Spearfish-Tinton road, Test Pit No. 1 was still in evidence and the site locations at Hole Nos. 1, 2, 3, 4, 5, 6, 7, 8 and 9 were mostly in evidence but were badly overgrown with vegetation, and definitely showed that no production had resulted from the test pit or in the area of the churn drill holes.

J. William Hasler

J. William Hasler,
Field Officer, Region III
Office of Minerals Exploration

DEPARTMENT OF THE INTERIOR
DEFENSE MINERAL ADMINISTRATION

DMA DOCKET 654-X
CONTRACT 58



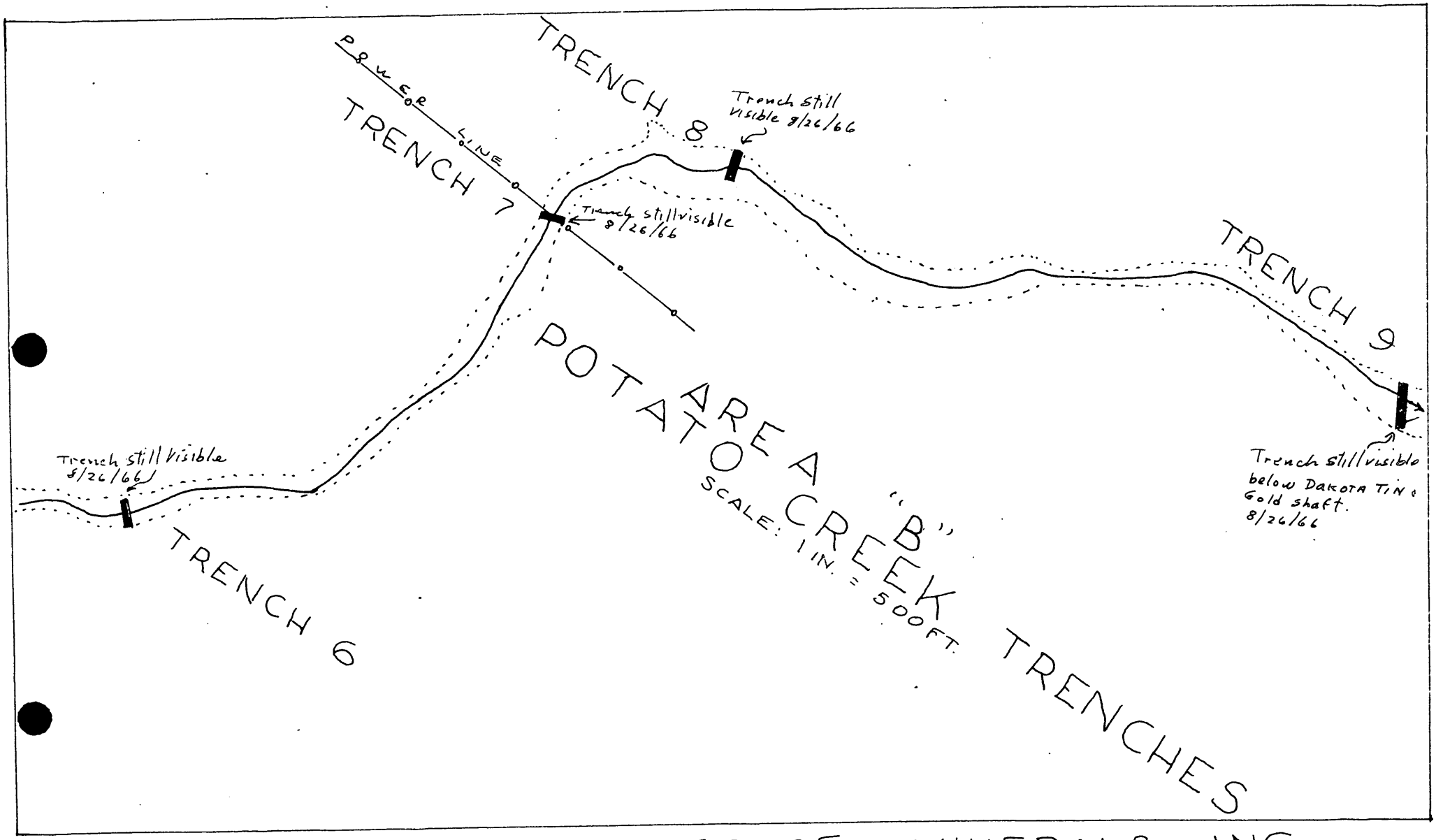
AREA "C"
BEAR CREEK HOLES
SCALE: 1 IN. = 100 FT.

OFFICIAL COPY
O. M. B.
RECEIVED
AUG 8 1966

NORTHWEST DEFENSE MINERALS, INC.
LAWRENCE COUNTY, SOUTH DAKOTA

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

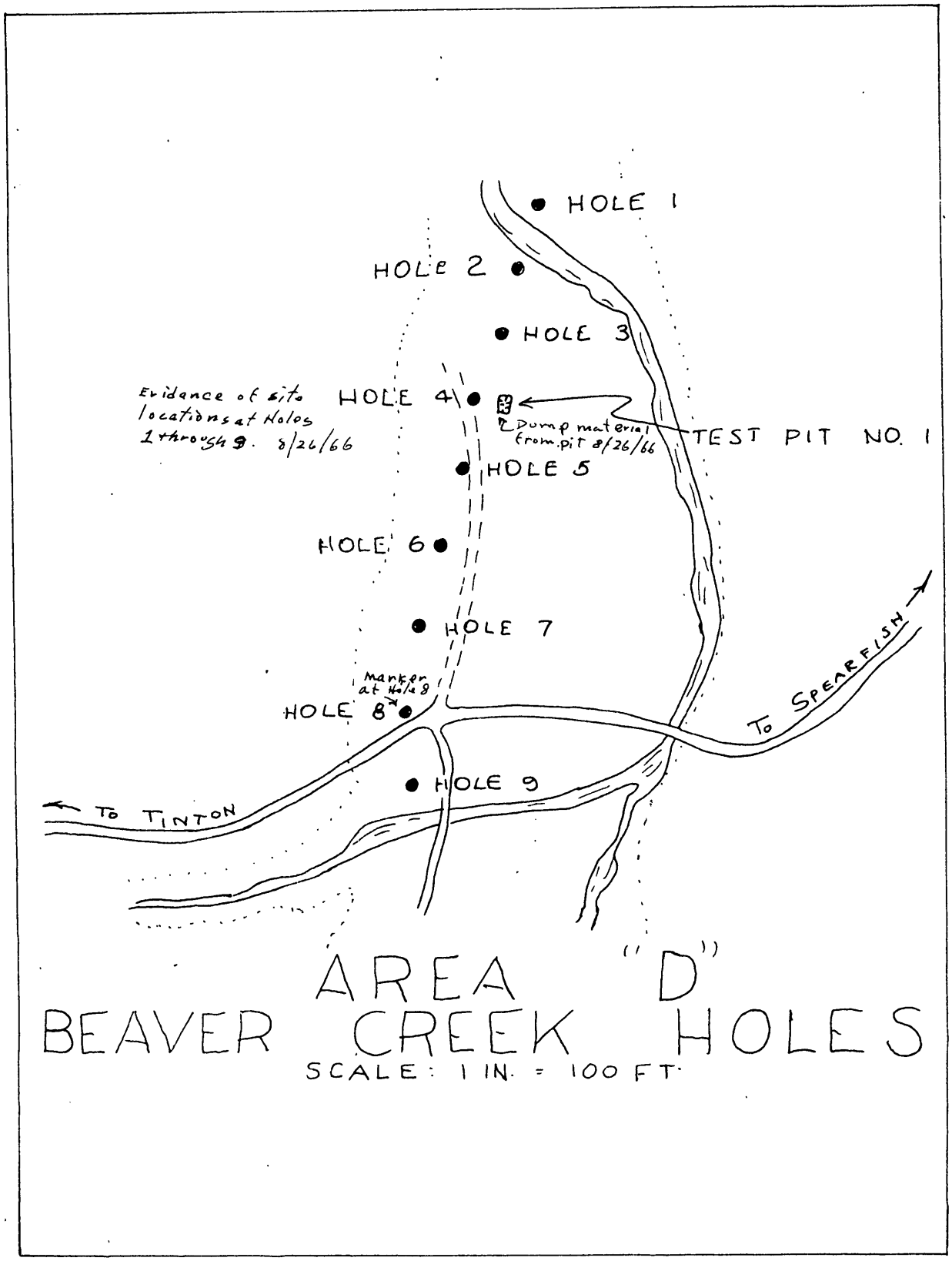
DMEA DOCKET 654-X
CONTRACT IdmE-58



NORTHWEST DEFENSE MINERALS, INC
LAWRENCE COUNTY, SOUTH DAKOTA

DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS ADMINISTRATION

DMEA DOCKET 654-X
CONTRACT IdmE-58



NORTHWEST DEFENSE MINERALS INC,
LAWRENCE COUNTY, SOUTH DAKOTA

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
		110
		120

AIRMAIL

Memorandum

To: Field Officer, Region III

From: Chief, Office of Minerals Exploration

Subject: DMEA-654 (Tin, Columbium-Tantalum-Tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract Idm-858

The royalty period on the subject contract expired July 16, 1966. As a final on-site examination of the property should be made, will you please try to arrange an inspection of it when you examine the Double Rainbow Mines next week.

FRANK E JOHNSON

Frank E. Johnson

cc: Director's Reading File
Division File
Economic Geology File
DMEA Docket
OME Reading File
120M
MMerrithew/mm (8/17/66)

23263

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
WASHINGTON, D.C. 20242

January 10, 1966

Miss Peggy Keenan
President, Northwest Beryllium Corp.
Room 240, American National Bank Bldg.
Rapid City, South Dakota

Re: DMEA-654 (Tin, Columbium-Tantalum-Tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract Idm-E58

Dear Miss Keenan:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Frank E. Johnson

Frank E. Johnson
Chief, Office of
Minerals Exploration

CERTIFIED COPY
O. M. E.
RECEIVED
FEB 2 1966

MME Form 63
Revised 7-65

DMEA-654
Idm-E58

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 1964, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes [ ] No [X]

   Does Northwest Beryllium Corporation still control all of the land that was in the subject contract? If not, please give details. Yes /X/ No /_/

2. Since March 1964, has there been any production from the land subject to the contract? Yes [ ] No [X]

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
	No	None

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	None	Tons		
Concentrates	None	Tons		
Other	None	Tons		

3. Since , has any production been transported through workings (see of contract)? Yes [ ] No [ ]

   If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Peggy Keenan Title President

Address 218-219 American National Bank Building Date January 26, 1966

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
9/7	[illegible]	120
9/8	[illegible]	110
		220

SEP 8 1965

Haskins & Sells
Certified Public Accountants
1070 Northwestern Bank Building
Minneapolis, Minnesota 55402

Re: DMEA-654 (Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract Idm-E58

Gentlemen:

Miss Peggy Keenan, president of Northwest Beryllium Corporation, has requested that we inform you of the company's obligation under the subject contract. Our records show that as of July 31, 1965, the company was obligated in the amount of $29,145.91 repayable by royalties on ore produced from the land in the contract until July 16, 1966.

Sincerely yours,

(signed) FRANK E. JOHNSON

Frank E. Johnson
Chief, Office of
Minerals Exploration

Copy to: Miss Peggy Keenan
President, Northwest Beryllium Corporation
Sheraton-Johnson Hotel
Rapid City, South Dakota

GCSelfridge/gla (9-7-65)

cc to:	Director's Reading File	OME File
	Division File	OME Reading File
	Economic Geology File	OME Region III w/cy incoming letr.
	Budget and Finance, Rm. 5408 w/ cy incoming letr.	Mr. Selfridge
		120M

23263

NORTHWEST BERYLLIUM CORPORATION

ROOM 240 AMERICAN NATIONAL BANK BUILDING

RAPID CITY, SOUTH DAKOTA

PHONE: 348-1212

Office of the President

CONCENTRATES:

BERYL, BERYLLIUM, COLUMBIUM - TANTALUM, FELDSPAR, MICA, TUNGSTEN, GOLD

OFFICIAL COPY
O. M. E.
RECEIVED
SEP 8 1965

MINERALS	CODE
	120
	120

1 September 1965

United State Department of the Interior
Office of Minerals Exploration
Washington 25, D. C.

Re: DMEA-654 (Tin, Columbium-Tantalum, Tungstem)
Northwest Defense Minerals, Inc.,
Keenan Properties
Lawrence County, South Dakota
Contract Idm-E58

Gentlemen:

In connection with an audit of Northwest Beryllium Corporation (formerly known as Northwest Defense Minerals, Inc.) being made by Haskins & Sells, Certified Public Accountants, 1070 Northwestern Bank Building, Minneapolis, Minnesota, please advise them as to the status of the above referred to contract as of July 31, 1965.

Our records indicate that the balance on July 31, 1965 was $22,793.27 and is payable by royalties on ore produced from the property until July 16, 1966.

Yours very truly,

NORTHWEST BERYLLIUM CORPORATION

Peggy Keenan

Peggy Keenan, President
Sheraton-Johnson Hotel
Rapid City, South Dakota

PK:mac

MME Form 7
(2/63)

OFFICIAL FILE COPY

Date	Surname	Code
2/1		120
"		110
"		100
		220

FEB 1 1965

Miss Peggy Keenan
President, Northwest Beryllium Corporation
Room 240, American National Bank Building
Rapid City, South Dakota

Re: DMEA-654 (Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract Idm-R58

Dear Miss Keenan:

In reply to your inquiry of January 22, 1965, sent to our Denver office, all minerals mined or produced from the land in the contract are subject to the Government's percentage royalty until July 16, 1966. You will be officially notified when the contract lapses.

Sincerely yours,

George Fumich, Jr.

Acting Director

GCSelfridge/gla (2 -1-65)
cc to: Director's Reading File
Docket
Region III
Mr. Selfridge
CA&A Division
120M

23263

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

January 26, 1965

Memorandum

To: George Fumich
Acting Director, OME
Washington, D. C. 20240

From: Acting Field Officer, OME, Region III

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E 58

Attached is Miss Keenan's letter and my reply.

for Hugh M. Connors

cc: Corres. File E-58
Chron

OFFICIAL COPY
O. M. E.
RECEIVED
JAN 29 1965

INITIALS	CODE
ama	900
	120
	120

NORTHWEST BERYLLIUM CORPORATION

ROOM 240 AMERICAN NATIONAL BANK BUILDING

RAPID CITY, SOUTH DAKOTA

PHONE: 348-1212

Office of the President

CONCENTRATES:

BERYL, BERYLLIUM,
COLUMBIUM - TANTALUM
FELDSPAR, MICA,
TUNGSTEN, GOLD

January 22, 1965

Executive Officer
U. S. Dept. of the Interior
Office of Minerals Exploration
224 New Customhouse
Denver, Colorado

Re: Docket No. DMEA 654X
Contract Idm-E58

Gentlemen:

We are advised by our auditors that the DMEA contract Idm-E58 between Northwest Defense Minerals, Inc. (now Northwest Beryllium Corporation) and the DMEA has expired.

For purposes of a new Corporate statement, please advise expiration date.

Yours very truly,

NORTHWEST BERYLLIUM CORPORATION

Peggy Keenan

Peggy Keenan, President

PK:mac

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Bldg. 20, Denver Federal Center
Denver, Colo. 80225

January 26, 1965

Peggy Keenan, President
Northwest Beryllium Corp.
American National Bank Bldg.
Rapid City, South Dakota

Dear Miss Keenan:

Your letter dated January 22, 1965 is being forwarded to our Washington Office for reply.

Yours very truly,

Hugh M. Connors
Acting Field Officer, OME
Region III

cc: George Fumich
Corres. File E-58
Chron

Bldg. 20 - Denver Federal Center
Denver, Colo. 80225

March 13, 1964

Memorandum

To: Fiscal Section, Office of Management Operations
Office of the Secretary
U.S. Department of the Interior, Washington, D. C.

From: Acting Field Officer, GMK, Region III

Subject: DMMA-654 (Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract I4m-X58

Attached is the Report of Royalty Review dated March 10, 1964 on the subject contract.

ORIGINAL SIGNED BY

Hugh M. Connors

cc: G. C. Selfridge
E. D. Talbert
E58
Chron

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 16 1964

DATE	INITIALS	CODE
3/16	Murphy	500
		220

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
		220

MAR 10 1964

Memorandum

To: Acting Field Officer, Region III

(Signed) E. D. Talbert

From: Chief, Contract Administration and Audit Division

Subject: DMEA-654 (Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract Idm-E58

The original and one copy of a Report of Royalty Review covering the subject contract are enclosed. If you concur in the facts stated therein, please make the following distribution:

(a) Original to the Fiscal Section, Office of Management Operations, Office of the Secretary, U. S. Department of the Interior, Washington, D. C. 20240; and

(b) One copy for your files.

This Report of Royalty Review is made for record purposes only; therefore, no copy for the Operator is provided.

As evidence of your concurrence, a copy of your memorandum transmitting the original report to the Fiscal Section should be furnished this Division. If for any reason you do not concur, both copies of the report should be returned to this Division with your comments.

Enclosures

EDTalbert/ama 3-10-64

cc:
Docket
Director's Reading File
CA & A Division
Fiscal Section

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

February 5, 1964

Re: DMEA-654 (Tin, Cb, Ta, & W)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, S. D.
Contract Idm-E58

Northwest Defense Minerals, Inc.
c/o Peggy Keenan
~~Sheritan Johnson Hotel~~
Rapid City, South Dakota
Sheraton-Johnson Hotel

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

W. R. Griswold, Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED MAR 9 1964

DATE	INITIALS	CODE
3/10		800
		100
3/10		~~110~~
		500
		320

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since March 7, 1960, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since March 7, 1960, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

   none — Quantity _____ Value _____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	none	Tons		
Concentrates		Tons		
Other		Tons		

3. Since _____, has any production been transported through _____ workings (see _____ of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
none		

Submitted by:

Name Peggy Keenan Title President

Address [illegible] Date March 6 1964

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

January 31, 1964

Dakota Tin & Gold Company

Spearfish, South Dakota

Re: DMEA-654 (Tin, Cb, Ta, & W)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, S. D.
Contract Idm-E58

OFFICIAL FILE COPY
O. M. E
RECEIVED 2 1964

DATE		
3/20		800
		100
3/20		116
3/	Murphy	500
		–
		220

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

If available, would you also give us the address of Miss Peggy Keenan, the president of Northwest Defense Minerals, Inc.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

Miss Keenan
Sheridan-Johnson Hotel
Rapid City, S. Dak.

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 18, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since April 18, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name W.O Fillmore Title

Address Box 328 Spearfish, S. Dak. zip 57783 Date 3-16-64

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

January 31, 1964

Mr. W. O. Fillmore

Spearfish, South Dakota

Re: DMEA-654 (Tin, Cb, Ta, & W)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, S. D.
Contract Idm-E58

OFFICIAL FILE COPY
RECEIVED Mar 2
DATE

3/20		800
		100
3/20		710
3/23		500
		220

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

If available, would you also give us the address of Miss Peggy Keanan, the president of Northwest Defense Minerals, Inc.

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

Believe Miss Keenan is at the Sheritan-Johnson Hotel,
Rapid City, S.Dak.

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 18, 1962, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since April 18, 1962, has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name W.O.Fillmore Title

Address Box 328 Spearfish,S.D. 57783 Date March 16,1964

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

September 18, 1963

Mr. W. O. Fillmore

Spearfish, South Dakota

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 4 1964

DATE	INITIALS	CODE
2/4	[illegible]	800
2-4	[illegible]	100
2/4	[illegible]	110
2/5	Murphy	500
		920

Re: DMEA-654 (Tin,Cb, Ta, & W)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, S. D.
Contract Idm-E58

Dear Sir:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

If available, would you also give us the address of Miss Peggy Keenan, the president of the Northwest Defense Minerals, Inc.

Sheritan Johnson Hotel
Rapid City, S.Dak.

63 mailed to Keenan on 2/5/64 [illegible]

Sincerely yours,

F M Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 18, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since April 18, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name W.O.Fillmore Title

Address Spearfish, S.Dak. Date 1-30-64

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

September 18, 1963

Re: DMEA-654 (Tin, Cb, Ta, & W)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, S. D.
Contract Idm-E58

Dakota Tin & Gold Company

Spearfish, South Dakota

Gentlemen:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

OFFICIAL FILE COPY
O. M. E
RECEIVED FEB 4 1964

DATE	INITIALS	CODE
2/4		800
2/4		100
2/4		110
2/5	Murphy	500
		220

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since April 18, 1962 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☒

2. Since April 18, 1962 , has there been any production from the land subject to the contract? Yes ☐ No ☒

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☒

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name W.O.Fillmore Title

Address Spearfish, S.Dak. Date 1-30-64

4511

Re: DMEA 654

In my opinion this "no knowledge" 9/9/63
reply, as well as prior 4/18/62 reply, from
owner of only one of the numerous
claims under the contract is of no value.

Peggy Keenan, personally, and the Operator-
Corporation are both sureties for the
royalty. Either a reply should be
obtained from one of the sureties, replies
from the several owners, or Bu Mines man
in area should be requested to check.

The fact that last years survey
to Operator was returned by New York
post office marked "Moved - Left No
Address" does not mean it or Mrs.
Keenan cannot be located. Spearfish
is a small place and Mrs. Keenan
was a relatively well known person.

Talbut
9/11/63

ROSS J. BEATTY, JR.
332 SOUTH MICHIGAN AVENUE
CHICAGO 4, ILL.
HARRISON 7-0616

OFFICIAL FILE COPY
O. M. E
RECEIVED SEP 10 1963

DATE	INITIALS	CODE
9/11	[illegible]	800
		~~120~~
9/11	On leave	100
	September 9, 1963	500

Mr. F. M. Murphy, Acting Chief
Division of Minerals
U. S. Dept. of the Interior
Office of Minerals Exploration
Washington 25, D.C.

Re: DMEA-654 (Tin, Cb, Ta, & W)
Northwest Defense Minerals
(Assignee)
Keenan Properties
Lawrence County, S.D.
Contract Idm-E58

Dear Sir:

In reply to your letter of September 4th, please be advised that the Black Hills Tin Company has been dissolved and the assets distributed to John T. and Ross J. Beatty, Jr.

We have no knowledge of the activities of the lessee, and to the best of our knowledge there has been no production.

Sincerely yours,

Ross J. Beatty, Jr.

Ross J. Beatty, Jr.

RJB.IR
enc.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

September 4, 1963

Re: DMEA-654 (Tin, Cb, Ta, & W)
Northwest Defense Minerals
(Assignee)
Kennan Properties
Lawrence County, S. D.
Contract Idm-E58

Mr. Ross J. Beatty, Jr.
Black Hills Tin Company
332 So. Michigan Avenue, Suite 1950
Chicago 4, Illinois

Dear Mr. Beatty:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

s/F. M. Murphy

F. M. Murphy, Acting Chief
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since **April 18, 1962** , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since **April 18, 1962** , has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____	_____	_____
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

Mr. Murphy

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS
EXPLORATION ADMINISTRATION
WASHINGTON 25, D. C.

OFFICIAL BUSINESS

Office of Minerals Exploration
Washington 25, D. C.

RETURNED TO WRITER

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DEPARTMENT OF THE INTERIOR

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NEW YORK, N.Y. 21
APR 3
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1962

LENOX HILL
STATION

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

MAR 30 1962

Re: DMEA-654 (Tin, Cb, TA and W)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, So. Dakota
Contract Idm-E58

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1322 Second Avenue, No. 1-D
New York 21, New York

Dear Miss Keenan:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Field Operations

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 29, 1959 , has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since May 29, 1959 , has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

MAR 30 1962

Re: DMEA-654 (Tin, Cb, TA and W)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, So. Dakota
Contract Idm-E58

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1322 Second Avenue, No. 1-D
New York 21, New York

Dear Miss Keenan:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Field Operations

MME Form 63
Revised 3-62

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1. Since May 29, 1959, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since May 29, 1959, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since _____, has any production been transported through _____ workings (see _____ of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

MAR 3 0 1962

Re: DMEA-654 (Sn, Cb, TA and W)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, So. Dakota
Contract Idm-E58

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1322 Second Avenue, No. 1-D
New York 21, New York

Dear Miss Keenan:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

George C. Selfridge

George C. Selfridge, Chief
Division of Field Operations

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 29, 1959, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

2. Since May 29, 1959, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value
_____		
_____	_____	_____

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore	_____	Tons	_____	_____
Concentrates	_____	Tons	_____	_____
Other	_____	Tons	_____	_____

3. Since _____, has any production been transported through _____ workings (see _____ of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value
_____	_____	_____

Submitted by:

Name _____ Title _____

Address _____ Date _____

4511

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
Building 20 - Federal Center
Denver 25, Colorado
February 8, 1960

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 10 1960

DATE	INITIALS	CODE
2-10	gad	220
2/10	[illegible]	800
2/11	Murphy	500
		225

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
No. 1 D
1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654 (Tin, Col-Tant., Tung.)
Contract No. Idm-E58
(Keenan Properties)
Lawrence County, South Dakota

Dear Miss Keenan:

In reference to the "Certification by the United States of America of a Discovery or Development under an exploration Project Contract" and the instructions in the Washington Office letter of transmittal of the Certification on the captioned project, please indicate your answer to the following questions and return one copy of the questionnaire immediately to this office.

Very truly yours,
Original signed by

J. W. Townsend
Executive Officer, OME
Field Team, Region III

1. Has the property been sub-leased or any change made in ownership other than this office has been notified? Yes ___ No___. If yes, please furnish details of the transaction on a separate sheet and include a true or signed copy of any instrument that was executed in conjunction with the matter.

2. Has there been production from the land subordinated under the referenced contract since January 1, 1959 ? Yes___ No___. If yes, and shipments made, who was the purchaser? _____

3. Is any of the following material stockpiled? Yes___ No___.

(a) Ore, Tons _____ Estimated grade _____
(b) Concentrates, lbs. _____ Estimated grade _____
(c) Low grade ore, tons _____ Estimated grade _____
Place stockpiled _____

Signed _____

Title _____ Date _____

HMC:ltm cc: Chmn. Op. Comm. Roy. Corres. E58 Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
WASHINGTON 25, D. C.

OFFICIAL FILE COPY
C. M. E
RECEIVED APR 25 1962

APR 17 1962

Re: DMEA-654 (Tin, Cb, Ta and W)
Northwest Defense Minerals,
Inc. (Assignee)
~~Keenan Properties~~
~~Lawrence County~~, S. Dakota
Contract Idm-E58

Mr. Ross J. Beatty, Jr.
Black Hills Tin Company
332 South Michigan Avenue, Suite 1950
Chicago 4, Illinois

Dear Mr. Beatty:

After the completion of the approved exploration work under the contract identified above, we asked to be informed about changes in the status of the property and production from it during the period of royalty obligation.

To assist you to furnish this information and to assure the accuracy of our records, please answer the questions on the back of this letter and return two copies to this office with copies of any pertinent documents.

Sincerely yours,

Willis R. Griswold

Willis R. Griswold, Jr.
Division of Minerals

MME Form 63
Revised 3-62

REQUEST FOR INFORMATION ON CERTIFIED PROJECT AND PROJECT UNDER ROYALTY AGREEMENT

1. Since May 29, 1959, has there been a change in ownership, lease, or sublease? If yes, please state details of the transaction below and provide a true or signed copy of the pertinent documents, unless they have been provided before. Yes ☐ No ☐

not to my knowledge

2. Since May 29, 1959, has there been any production from the land subject to the contract? Yes ☐ No ☐

   A. If so and it was shipped, give quantity, value, and name and address of purchaser.

	Quantity	Value

   B. If stockpiled awaiting sale, state quantity, grade, and location.

Type	Quantity		Estimated Grade	Location
Ore		Tons		
Concentrates		Tons		
Other		Tons		

3. Since , has any production been transported through workings (see of contract)? Yes ☐ No ☐

   A. If so, state quantity, value, and disposition of material.

Disposition of Material	Quantity	Value

Submitted by:

Name Ben J. Beatty Jr. Title Co-owner

Address 332 So. Michigan Ave Date 4/18/62
Chicago 4, Ill.

4511

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 27 1960

DATE	INITIALS	CODE
5-27	gad	VVO
5/27	[illegible]	800
5/[illegible]	[illegible]	[illegible]

Building 20 - Federal Center
Denver 25, Colorado

May 25, 1960

Memorandum

To: Fiscal Section, Division of Administrative Services
Office of the Secretary, Department of the Interior
Washington 25, D.C.

From: Hugh M. Connors, Acting Field Officer, [illegible], Region III

Subject: Docket No. [illegible]-651 (Tin, Columbium, Tantalum, Tungsten)
Contract No. [illegible]-258
Northwest Defense Minerals, Inc.
(Thomas Properties)
Lawrence County, South Dakota

Enclosed is the original Report of Royalty Review on the subject contract for the period July 16, 1951 through May 5, 1960.

Original signed by

Hugh M. Connors

Enclosure
HMC/lm
cc: Chief Division of Field Operations (2)
E. D. Talbert, Acting Chief
Contract Administration and Audit Division
Royalty Corres. E58
Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7/29	[illegible]	110
7/[illegible]	Murphy	500
7/30	Greenwald	500
		225

Memorandum

JUL 28 1959

To: Acting Director

From: Special Assistant to the Director

Subject: Docket No. DMEA-654
(Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

On July 23, 1959, the writer telephoned Mr. Townsend to instruct him concerning his inquiry of July 17 relating to the closing of the subject account. It was suggested that Mr. Townsend write the operator immediately, in reply to her letter of July 14, informing her that the account had been closed as of July 11, that it would no longer be necessary for the company to submit a Final Report, and that the Government would not participate in the cost of a Final Report, in accordance with Mr. Townsend's letter of June 10 to Miss Peggy Keenan, President, Northwest Defense Minerals, Inc. Mr. Townsend informed the writer that everything was packed for moving to Federal Center, but that he would send a letter as quickly as possible.

The writer then asked Mr. Townsend what he had heard of the public's reaction to the OME program. Mr. Townsend replied that a large number of people had requested information and application forms, but none of them were submitting applications. He further stated that at present interest seemed largely centered around pegmatites, but as they had no targets (apparently meaning they were not zoned) they were not eligible for OME assistance.

At this point the writer explained one difference between the OME program and the old DMEA program, and that was that under the OME program we could now do some preliminary work which would allow the obtaining of pertinent geological and mineralogical information. After further discussion, Mr. Townsend had a better understanding of the new program, in that we were looking for new deposits, and said he would pass on the information to those working on OME matters.

George C. Selfridge

GCSelfridge//fw-7/28/59
cc: Docket
Mr. Johnson
Mr. Selfridge (2)
Mr. Talbert
Director's file
Dir.Read.File

8623

OFFICIAL FILE COPY O. M. E. RECEIVED JUL 27 1959		
DATE	INITIALS	CODE
7/27	RCW	225
7/27	[illegible]	800
~~7-28~~	~~Murphy~~	~~500~~

224 New Customhouse
Denver 2, Colorado

July 23, 1959

AIRMAIL
CERTIFIED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 D 1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of July 14, 1959, and prior correspondence regarding the rendering by your company of a final engineering and geologic report pertaining to work completed under the referenced contract.

The required report was not received on or before July 10, 1959; therefore, the account was settled July 11, 1959, in accordance with advice to you in the letter from this office dated May 7, 1959, and in accordance with the Report of Review by the Contract Administration and Audit Division, OME, dated July 13, 1959, a copy of which was forwarded to you July 22, 1959.

Since the Government cannot now participate in the costs of preparation of the final report, it will be unnecessary for you to submit the report.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend,
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chmn. Op. Comm. (2)
Finch
Hasler
OME/DFC
Corres. file, Reg. III
Susp. file
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-20	gad	220
~~7/21~~	~~Murphy~~	~~100~~

JUL 20 1959

Memorandum

To: Mr. Donald T. Finch
OME Auditor

From: E. D. Talbert, Acting Chief
Contract Administration and Audit Division

Subject: Docket No. DMA-654X (Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
Contract Idm-E479

Your Report of Review in lieu of a final audit of the subject contract is acceptable and normal distribution is authorized after revision of the original and all copies as follows:

(1) At the bottom of the report, between the balance due Operator and your signature, add the line:

"Total Government contribution (including 90% of $5,878.22) - $29,145.91"

(2) At the end of reason (a) of the attachment change the period to a comma and add:

"as amended on May 27, 1952."

These changes have been made on the Washington copies.

EDTalbert/fw-7/20/59

cc: Docket
Dir.Read.File
CA & A Division

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

July 17, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten)
Contract No. Idm-E58, Northwest Defense Minerals, Inc.
(Rawlins Mining District) Lawrence County, South Dakota

Enclosed are two copies of the Operator's letter of July 14, 1959, pertaining to rendering the required Final Engineering and Geologic Report.

In compliance with instructions in the letter dated June 26, 1959, from W. S. Martin, Acting Chairman, Operating Committee, closing procedures were initiated July 10, 1959, since the Operator's Final Report had not been received as of that date.

Please advise as to how we should proceed if and when the Operator's Final Report is received, if the account has been closed by that time in conformance with instructions of June 26, and prior correspondence in the matter.

J. W. Townsend

Enclosure

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 20 1959

DATE	INITIALS	CODE
7-20	gad	200
7/20	[illegible]	800
7-21	Murphy	500

OME
DEPARTMENT OF THE INTERIOR
JUL 17 1959
REGION III
DENVER, COLORADO

NORTHWEST DEFENSE MINERALS, INC.

KEYSTONE AND SPEARFISH, SOUTH DAKOTA

Office of the President

522 Second Avenue
New York 21, N.Y.

CONCENTRATES:

BERYL, BERYLLIUM,
COLUMBIUM - TANTALUM,
FELDSPAR, MICA,
TUNGSTEN, GOLD

July 14, 1959

Mr. J.W. Townsend
Executive Officer, O.M.E.
Field Team Region III
Dept. of Interior, 224 Customhouse
Denver 2, Colorado

Dear Mr. Townsend:

When I returned from my trip from South Dakota, I found that contrary to the impression I had in my mind, the deadline was July 10 instead of July 15. Therefore, we may be delinquent in our work. However, there was no way in the world to act otherwise because of my traveling and the urgent need of closing our financial channels to safe guard the Corporation at the earliest moment. We are happy to report we are successful.

We can this week turn our attention to the D.M.E.A.(O.M.E.) report by the Operator and by the Engineer, R.M. Atwater, Jr. We will accept the figures of the D.M.E.A. auditor for the final accounting and do the best we can with the expenses involved and the rules and deadline you had to lay down.

We have had a photostatic blow up made of the Certification of Discovery and have both the letter signed by you and the Certificate framed for the walls of our office. We are very proud of the documents.

We will send reports at the earliest moment.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 20 1959

DATE	INITIALS	CODE

Yours very truly,

Peggy Keenan

Northwest Defense Minerals, Inc.
Peggy Keenan, President

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUL 13 1959

DATE	INITIALS	CODE
7-13	gad	VVO
7/14	[illegible]	[illegible]
~~7-16~~	~~M~~	~~506~~

224 New Customhouse
Denver 2, Colorado

July 10, 1959

Memorandum

To: D. T. Finch, OME Auditor, Region III

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 654 (Tin, Columbium-Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., Assignee (Keenan Properties) Lawrence County, South Dakota

The Operator has failed to render its final engineering and geologic report as required by the contract; therefore, the account is to be closed in accordance with instructions in the memorandum from W. S. Martin, Acting Chairman, Operating Committee, dated June 26, 1959, a copy of which is enclosed for your records.

Also enclosed is one copy each of the following: letter from this office to the Operator dated May 7, 1959; memorandum from this office to the Chairman, Operating Committee, dated May 7, 1959; and memorandum to this office from the Chairman, Operating Committee, dated May 22, 1959. A copy of the letter from this office to the Operator dated June 10, 1959, was forwarded to you at the time of writing.

Before the account can be closed, it is necessary that this office be furnished a Certificate and Report of Audit or Report of Review of reported project costs, whichever the case indicates.

The entire amount of otherwise acceptable costs on which reimbursement to the Operator has been deferred is now to be disallowed as indicated in our letter to the Operator dated May 7, 1959.

All work under the contract was performed on a cost incurred basis.

Original signed by
J. W. TOWNSEND

J. W. Townsend

Enclosures

JWT:jy
cc: Chm. Op. Comm. (2)
Harshman
OME/DFC
Corres.
Suspense
Chron.

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

June 19, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED JUN 22 1959		
DATE	INITIALS	CODE
6/22	a	220
7/9	Murphy	700

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket DMEA 654X (Tin, Columbium-Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., Assignee (Keenan properties) Lawrence County, South Dakota

In reference to your letter of June 5, 1959, concerning additional reserves on the subject property, enclosed are the original and two copies of a memorandum dated June 16, 1959, from M. H. Marshall, Mining Engineer, Bureau of Mines.

Supplementing the above memorandum, if the matter of reserves is to be considered on gold content of the gravel deposit, then undoubtedly the Phase 2 drilling and test pitting would increase the volume of reserves over that indicated by the Phase 1 work.

Bedrock depth as determined by the drill holes in both the Bear and Beaver creek areas cannot be relied upon; therefore, the depth of gravel used in the following reserve computations is that found in the one test pit in the Bear creek area and the two test pits in the Beaver creek area.

The drill holes and test pits in both areas provide very limited knowledge as to the extent of the deposit, but on a conservative assumption that the deposit is of similar depth and grade for a distance of 200 feet each way up and down stream from the test pits would provide the following additional reserves as a result of the Phase 2 work:

	Depth	Width	Length	Cu. Ft.	Cu. Yds.	Value
Bear Creek	18'	200'	200'	720,000	26,700	$30,705.00
Beaver Creek	7'	200'	300'	420,000	15,600	$14,664.00

? Sn - Cb Ta - 0.10 lb/cyd
JMM

If a less conservative estimate is considered appropriate, the following approximate factors of cubic yards and values per lineal foot of deposit length may be used:

	Cubic Yards	Value
Bear Creek	133.5	$153.52
Beaver Creek	52.0	$48.88

J. W. Townsend

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

DENVER EXPERIMENT STATION

OME
DEPARTMENT OF THE INTERIOR
JUN 17 1959
REGION III
DENVER, COLORADO
BUILDING 20, FEDERAL CENTER
DENVER, COLORADO

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 22 1959

DATE	INITIALS	CODE

W.O.

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Milton H. Marshall

Subject: Docket DMEA 654X (Tin, columbium-tantalum-tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, S. Dak.

June 16, 1959

The average values of $1.15 and $0.94 per cubic yard referred to in the Chairman's memorandum dated June 5, 1959 apparently refer to the values mentioned on pages 7 and 15 of the Bureau of Mines final report. Cursory inspection of the report might convey the impression that additional ore reserves should be increased in accordance with the results of work accomplished under Phase 2. Inspection, however, shows that from a strategic minerals or DMEA viewpoint, the reported values reflect no more than a negligible increase of strategic ore reserves.

The first value ($1.15/cu. yd.) reflects the total value represented as the result of Phase 2 drilling and test pitting on Beaver Creek. Of the total value, $1.05 is for the contained gold and but $0.10 or 0.10 pound for the combined value of strategic minerals.

Correspondingly, the second value ($0.94, sic. $0.954) represents the total values from the Bear Creek drilling and test pitting. Of the total value, $0.945 is the contained gold. In this case, the value of strategic minerals is less than one cent per cubic yard.

Accordingly, Phase 2 contributed only a negligible additional amount of ore reserves of strategic minerals to the national picture and it is believed that the statement on page 9 of the report, "The results of Phase 2 work were unfavorable inasmuch as the quantity and value of the strategic minerals, columbite-tantalite, tungsten WO_3, and tin were too small and low in grade to be significant or of economic importance.", remains valid.

Milton H. Marshall
Milton H. Marshall
Mining Engineer

Idm-E58
Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/16	Knouse	700
6/16	Talbut	800
6/26	Martin	130
6/26	Johnson	110
		~~100~~
		220
		~~800~~ 700

JUN 26 1959

SOLICITOR
JUN 23 1959
INTERIOR DEPT.

Memorandum

To: Executive Officer, OME Field Team, Region III

From: ACTING Chairman, Operating Committee

Subject: Docket No. DMEA-654
(Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

This is with reference to your letter of June 10 to the Operator and our memorandum to you of May 22, 1959, regarding the subject Operator's final engineering and geological report. If you do not receive this report on or before July 10, 1959, do not allow any additional time to render the report and take the action outlined in your letter to the Operator of May 7, 1959.

RECEIVED
JUN 23 1959
ASSOC. SOLICITOR
MINERAL RESOURCES

/s/
W. S. Martin (FLB)

APPROVED:

Frank D. Lamb (FLB)
Member, Bureau of Mines

Harold Kirkemo (FLB)
Member, Geological Survey

FLKnouse/fw-6/16/59
cc: Docket
Dir.Read.File
Operating Com'te
Mr. Kirkemo, USGS, Rm. 5222
Mr. Pennington, USBM-Rm. 3623
Mr. Knouse
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
[redacted]	[redacted]	140
[redacted]	[redacted]	
6/22	Knouse	700
6/24	Talbot	800
6/26	Martin	120
		~~110~~
		220
		700

6/26 Lamb 130
6/26 Kirkham 130

JUN 26 1959

Mr. Ross J. Beatty, Jr.
Black Hills Tin Company
Suite 1950
332 South Michigan Avenue
Chicago 4, Illinois

SOLICITOR

JUN 23 1959

INTERIOR DEPT.

Re: Docket No. DMEA-654
(Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Mr. Beatty:

In reply to your letter of June 2, the Government's lien extends to all the real property described in the subject contract. The parcel of land referred to in your letter, Placer Survey No. 393 (our reference, 70 Flats Placer on Bear Creek M.S. 393) seems clearly to be included in the subject contract by Amendment No. 3, dated October 28, 1952. This amendment, like the contract, is signed by "Peggy Keenan d/b/a Keenan Properties," and we have two Owner's Consents to Lien - one dated October 14, 1952, and another dated August 26, 1954, executed by Black Hills Tin Company, by yourself as president, which grants the Government a lien on the land. This lien does not appear to be contingent upon maintenance of the lease on the land by Peggy Keenan. Therefore, all minerals mined or produced from the date of the contract (July 16, 1951) to July 16, 1966, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid.

An audit will be made to determine the amount of the Government's contribution to the subject exploration project which is repayable by the company through royalty on production. When this audit is completed the subject operator and all lessors of land included in the contract will be advised the amount of the Government's contribution.

8623

Estimates of reserves made by the Government, based on the results of the exploration work, cannot be made public. You might request Northwest Defense Minerals, Inc., to give you its estimate of reserves.

Sincerely yours,

Frank E. Johnson (Lw)

Acting Director

JLHofflund/hm 6/18/59

cc: OME docket
Director's reading file
Field Team, Reg. 3 (2 copies) w/2cys incoming letter
Operating Committee
Mr. Knouse
Mr. Hofflund

Mr. Selfridge:

Re: DMEA-654

The last sentence of first paragraph of letter to land-owner does not appear to me to be correct, although it is probably the best attitude for us to take at this time.

The OCL gives the Government a lien for ten years from date of contract only. Operator, of course, is good for fifteen years as principal and surety.

Talbot 6/19/59

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
	Hoffland App'd. Sol. Off.	140
6/19	Knowlse	700
6/19	Talbert	800
		120
		110
		220
		700

FROM SOLICITOR

JUN 20 1959

FOR SIGNATURE

Mr. Ross J. Beatty, Jr.
Black Hills Tin Company
Suite 1950
332 South Michigan Avenue
Chicago 4, Illinois

Re: Docket No. DMEA-654
(Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Mr. Beatty:

In reply to your letter of June 2, the Government's lien extends to all the real property described in the subject contract. The parcel of land referred to in your letter, Placer Survey No. 393 (our reference, 70 Flats Placer on Bear Creek M.S. 393) seems clearly to be included in the subject contract by Amendment No. 3, dated October 28, 1952. This amendment, like the contract, is signed by "Peggy Keenan d/b/a Keenan Properties," and we have two "Owner's Consents to Lien" - one dated October 14, 1952, and another dated August 26, 1954, executed by Black Hills Tin Company, by yourself as president, which grants the Government a lien on the land. This lien does not appear to be contingent upon maintenance of the lease on the land by Peggy Keenan. Therefore, all minerals mined or produced from ~~October 28, 1952~~ (~~date of Amendment No. 3~~) ~~until~~ July 16, 1966, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid.

An audit will be made to determine the amount of the Government's contribution to the subject exploration project which is repayable by the company through royalty on production. When this audit is completed the subject operator and all lessors of land included in the contract will be advised the amount of the Government's contribution.

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

June 12, 1959

Memorandum

To: Acting Director
Office of Minerals Exploration

From: Acting Associate Solicitor
Division of Mineral Resources

Subject: Docket No. DMEA-654, Northwest Defense Minerals, Inc. (Assignee), Keenan Properties, Lawrence County, South Dakota, Contract No. Idm-E58

Mr. Knouse, by routing slip dated June 4, has asked us to prepare a reply to a letter from Ross J. Beatty, Jr., Black Hills Tin Company, to the Acting Director, dated June 2, 1959.

Mr. Beatty asks three questions:

1. why there is any lien on the subject property;

2. whether the Government can give the writer information relative to the exploratory work; and

3. the amount of the lien.

Inasmuch as only the first question requires the consideration of this office, we will suggest herewith the reply that you might make to Mr. Beatty to be incorporated with your reply to the other two questions:

Your letter of June 2 to Mr. Frank E. Johnson, Acting Director, Office of Minerals Exploration, requests further information regarding the Government's lien arising out of the subject contract, referred to in Mr. Johnson's letter to you of May 29.

The Government's lien, of course, extends to all real property described in the subject contract. Inasmuch as Mr. Johnson's letter of May 29 makes no

Only parcel covered by contract by [illegible]

reference to particular parcels of property, we do not understand why you question the inclusion of a particular parcel: the land covered by M.S. 393.

This parcel, at any rate, seems clearly to be included by Amendment No. 3 to the subject contract, dated October 28, 1952. This Amendment, like the contract, is signed "Peggy Keenan d/b/a/ Keenan Properties", and we have an Owner's Consent to Lien, dated October 14, 1952, executed by Black Hills Tin Company, by yourself as President, which grants to the Government a lien on the land. This lien does not appear to be contingent upon maintenance of the lease on the land by Peggy Keenan.

J. L. Hofflund

J. L. Hofflund

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O. M. E.
RECEIVED JUN 12 1959

DATE	INITIALS	CODE
6/12	a	220
6/12	[illegible]	800
		700

224 New Customhouse
Denver 2, Colorado

June 10, 1959

CERTIFIED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 D 1322 Second Avenue
New York 21, New York

Re: Docket No. DMMA 654X (Tin-Columbium-Tantalum-Tungsten
Contract No. [illegible]
Northwest Defense Minerals, Inc.
Keystone Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

Receipt is acknowledged of your telegram of June 10, 1959, regarding submission of your final engineering and geologic report and final accounting.

We will extend the deadline date for the receipt of the report to July 10, 1959, as you requested; however, if the reports are not in our hands on or before that date, we will proceed as outlined in the last paragraph of our letter to you of May 7, 1959.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chmn. Op. Comm. (2)
Harshman
OME/DFC
Finch
Corres. file Reg. III
MF-104 file (5)
Susp. file
Chron.

} w/cpy of encl. telegram

CLASS OF SERVICE
This is a fast message unless its deferred character is indicated by the proper symbol

WESTERN UNION
TELEGRAM

W. P. MARSHALL, PRESIDENT

1201

SYMBOLS
DL = Day Letter
NL = Night Letter
LT = International Letter Telegram

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

K HAPP PD AR=NEW YORK NY 10 1219PM=

1959 JUN 10 AM 11 2

W W TOWNSEND=

EXECUTIVE OFFICER OME FIELD TEAM 3 DEPT OF INTERIOR 224 NEW CUSTOM HOUSE DVR=

THANK YOU FOR CERTIFICATE OF DISCOVERY RE MAY 7TH LETTER JUST RECEIVED IT WAS NEVER OUR INTENTION TO DISREGARD OBLIGATIONS DMEA. CURRENT FINANCING HERE ALMOST COMPLETE WILL BE IN SOUTH DAKOTA BEFORE JUNE 27TH AND GET RECORDS FOR AUDIT AND 1951 ENGINEERING. ATWATER RETURNING FROM CANADA AGREES TO WRITE PROJECT REPORT REQUIRED ARTICLE FOURTEEN SEVENTEEN PLEASE

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING ITS SERVICE

W. P. MARSHALL, PRESIDENT

The filing time shown in the date line on domestic telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at point of destination

1959 JUN 10 AM 11 22

ADVISE EXTENTION JUNE 10TH DEADLINE TO JULY 10TH REGARDS=

NORTH WEST DEFENSE MINERAL INC PEGGY KEENAN PRESIDENT==

=7 DMEA 27 1951 10 10=

EXTRA COPY
O. M. E.
RECEIVED JUN 12 1959

DATE	INITIALS	CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/4	Knouse	700
6/5	[illegible]	130
6/5	Johnson	110
		~~[illegible]~~
6/8	C	220
		700

JUN 5 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Chairman, Operating Committee

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

A review of the Final Engineering Report on the subject property shows only ore reserves discovered as a result of Phase I work. Since the work done under Phase II showed average values of $1.15 and $0.94/cu. yd. further down the creeks, on Beaver and Bear Creeks, respectively, do you consider additional ore reserves were added as a result of this work?

/s/ George C. Selfridge (FLK)

APPROVED:

/s/ ~~George C. Selfridge~~ (FLK)
Member, Bureau of Mines

~~Thor H. Kiilsgaard~~ (FLK)
Member, Geological Survey

FLKnouse/gla 6-4-59
cc to: Director's Reading File
THKiilsgaard, 5224
FLKnouse
Operating Committee

8623

MINES
LAWRENCE COUNTY, TINTON, S. D.

BLACK HILLS TIN COMPANY
SUITE 1950
332 SOUTH MICHIGAN AVENUE
CHICAGO 4, ILL.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JUN 3 1959

DATE	INITIALS	CODE
6/3	G	220
6/4	Kuonse	700
		140

June 2, 1959

Mr. Frank E. Johnson, Acting Director
Office of Minerals Exploration
United States Dept. of the Interior
Washington 25, D. C.

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Mr. Johnson:

This will acknowledge receipt of your letter of May 29th, which is somewhat disturbing to us, and we would therefore like some additional information.

According to our records, neither the Northwest Defense Minerals, Inc., Miss Peggy Keenan, nor any of her associated companies have a lease on our Placer Survey No. 393. The lease was dated August 26, 1954 providing the right to explore and mine on this property for one year from that date. Lessee was given an option to extend this lease for two additional periods of one year each, which options were to be exercised by lessee delivering to lessor written notice of such intention at least sixty days before the end of each prior lease year. This never was done, and we therefore have assumed that the lease was automatically cancelled.

From your letter of May 29th it would now appear that the Government has a lien against our property which will extend for a ten-year period beginning August 26, 1954, but since there is no lease on the property, it is not clear to us how the Government expects to recover.

It is also interesting to note the statement in your letter to Miss Keenan indicating that sufficient exploratory work has been done to enable you to calculate reserves. Since the Government's lien is against our property, would it not be proper for the Government to provide us with information relative to this exploratory work? The lessee was supposed to provide us with this information, but never has done so.

Mr. Frank E. Johnson

We would also appreciate being informed as to the amount of the lien.

This property was recently transferred from the Black Hills Tin Company to my brother, John T. Beatty, and myself, individually. What effect will this have on the situation?

Very truly yours,

Ross J. Beatty, Jr.

RJB.IR

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

May 25, 1959

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 28 1959

DATE	INITIALS	CODE
5/28	G	220
5/28	JHB	130
"	JJ	110
6/1	JHB	130
6/2	G	220

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District), Lawrence County, South Dakota

Supplementing my memorandum of May 25, 1959, forwarding the original and two copies of the Final Engineering Report, the field examiners recommend that the project be certified as a discovery or development in which this office concurs.

J. W. Townsend

J. W. Townsend

FINAL FIELD TEAM REP.

Reviewed by
OME OPERATING COMMITTEE
6-2-59
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 28 1959

DATE	INITIALS	CODE
5/28	a	220
5/28	JB	130
	See FT memo	110
6/1	JB	130
		220

May 25, 1959

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten), Contract Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District), Lawrence County, South Dakota

Enclosed are the original and two copies of a Final Engineering Report dated May, 1959, by E. O. Binyon, and M. H. Marshall, Mining Engineers, Bureau of Mines, pertaining to operations under the subject contract. Also attached to each copy is a memorandum dated May 21, 1959, from E. N. Harshman, Geologist, Geological Survey, and member of OME Field Team, Region III, indicating the reason for nonparticipation by the Geological Survey in the preparation of the report.

The field team final summary report will be submitted when all matters prerequisite to closing the account have been resolved.

J. W. Townsend

J. W. Townsend

Enclosures

Reviewed by
OME OPERATING COMMITTEE
6-2-59
(date)

IN REPLY REFER TO:

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY
Office of Minerals Exploration
Denver Federal Center
Denver 25, Colorado

OME
DEPARTMENT OF THE INTERIOR
MAY 25 1959
REGION III
DENVER, COLORADO

W.O.

May 21, 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: E. N. Harshman

Subject: DMEA Docket 654X (Tin-Columbium-Tantalum-Tungsten), Contract Idm-E 58, Northwest Defense Minerals, Inc., (Rawlins Mining District), Lawrence County, South Dakota

I have read the draft of the final Engineering Report on the subject project. As you know, the work was essentially completed prior to the transfer of the contract administration to this region, and there is no geologist on my staff familiar with the project.

I believe that the report adequately describes the results of the completed exploration and therefore suggest that the report be accepted and forwarded to Washington without participation by the Survey.

E. N. Harshman

E. N. Harshman

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 28 1959

DATE	INITIALS	CODE

Reviewed by
OME OPERATING COMMITTEE
6-2-59
(date)

UNITED STATES
DEPARTMENT OF THE INTERIOR
FRED A. SEATON, SECRETARY

OME
DEPARTMENT OF THE INTERIOR
MAY 21 1959
REGION III
DENVER, COLORADO

OFFICE OF MINERALS EXPLORATION
REGION III

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O. M. E.
RECEIVED MAY 28 1959

DATE	INITIALS	CODE
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DOCKET NO. DMA 654X
CONTRACT NO. IDM-E58

NORTHWEST DEFENSE MINERALS, INC.
KEENAN PROPERTIES
LAWRENCE COUNTY, SOUTH DAKOTA

Tin, Columbium-Tantalum, Tungsten

Final Engineering Report

by

E. O. BINYON & M. H. MARSHALL Mining Engineers
Bureau of Mines

May 1959

Reviewed by
OME OPERATING COMMITTEE
6-2-59
(date)

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INTRODUCTION

Peggy Keenan, Spearfish, South Dakota, d/b/a Keenan Properties submitted an application dated April 16, 1951, to Defense Minerals Administration for a $570,599 production loan to operate tin-bearing placer deposits on Bear, Potato, and Beaver Creeks, Lawrence County, South Dakota. The application was denied following reports to DMA based on reconnaissance by the examiners. The application was revised and resubmitted to Defense Minerals Exploration Administration with request for financial assistance in an exploration project on Bear and Potato Creeks.

Contract Idm-E58, effective July 16, 1951, was awarded the applicant and provided for exploration work in two phases, the second phase contingent on results obtained from phase 1 work. The cost was estimated at $100,000 with Government participation at 90 percent or not to exceed $90,000.

Project work was started July 26, 1951, and was terminated effective November 1, 1957, by Termination Agreement dated August 15, 1958, without the completion of all work provided for by the contract. It is concluded that the project work completed resulted in the discovery of significant reserves of columbite-tantalite, tungsten, and tin minerals for which a Certification of Discovery or Development is recommended.

PROPERTY

Ownership

Northwest Defense Minerals, Inc. successor to Keenan Properties controls the land subordinated to the Government under Contract Idm-E58 both by ownership or lessee. The Government's interest in land leased by the operator is protected by signed Owners Consent To Lien and Subordination Agreements.

Location, Description and Accessibility

The land subordinated comprises 47 claims of approximately 916 acres situated in Secs. 4, 5, 6, 7, 8, 9, 16, 17, 18, 19, 20, 21, 28, 29 and 30, T. 5 N., R. 1 E., Black Hills meridian, Lawrence County, South Dakota (fig. 1). The claims are located along Potato, Bear and Beaver Creeks (fig. 2) at a mean altitude of 5400 feet above sea level. The creeks have locally incised an area of moderate relief to form narrow draws and gulches. The property is about 12 miles west of Lead, South Dakota and 10 miles southwest of Spearfish, South Dakota and readily accessible by improved graveled road from both towns.

Present Status

There is no activity at the property and there is no indication of possible activity in the future.

GENERAL GEOLOGY

The area includes the east half of a minor uplift on the northwestern flank of the Great Black Hills Dome. Precambrian schists and pegmatite exposed most prominently at the town of Tinton west of the project area are cut by Tertiary intrusive rocks and are encircled by outward-dipping Paleozoic sedimentary rocks. Smith and Page (USGS Bulletin 922) state that the tin and tantalum (of the Tinton mining district) are inseparably linked with the pegmatites in origin. The tin ores (of the pegmatites) are local concentrations of cassiterite formed during crystallization of the primary pegmatite. The columbite formed later and is concentrated in cracks of spodumene-quartz pegmatite and replacement of the rock as well as microcline and amblygonite.

Bear Creek, Beaver Creek and its tributary, Potato Creek, drain north from the Tinton area and derive their assemblages of strategic minerals found in the placer gravels from the weathering of exposed pegmatites. The placer gravels are

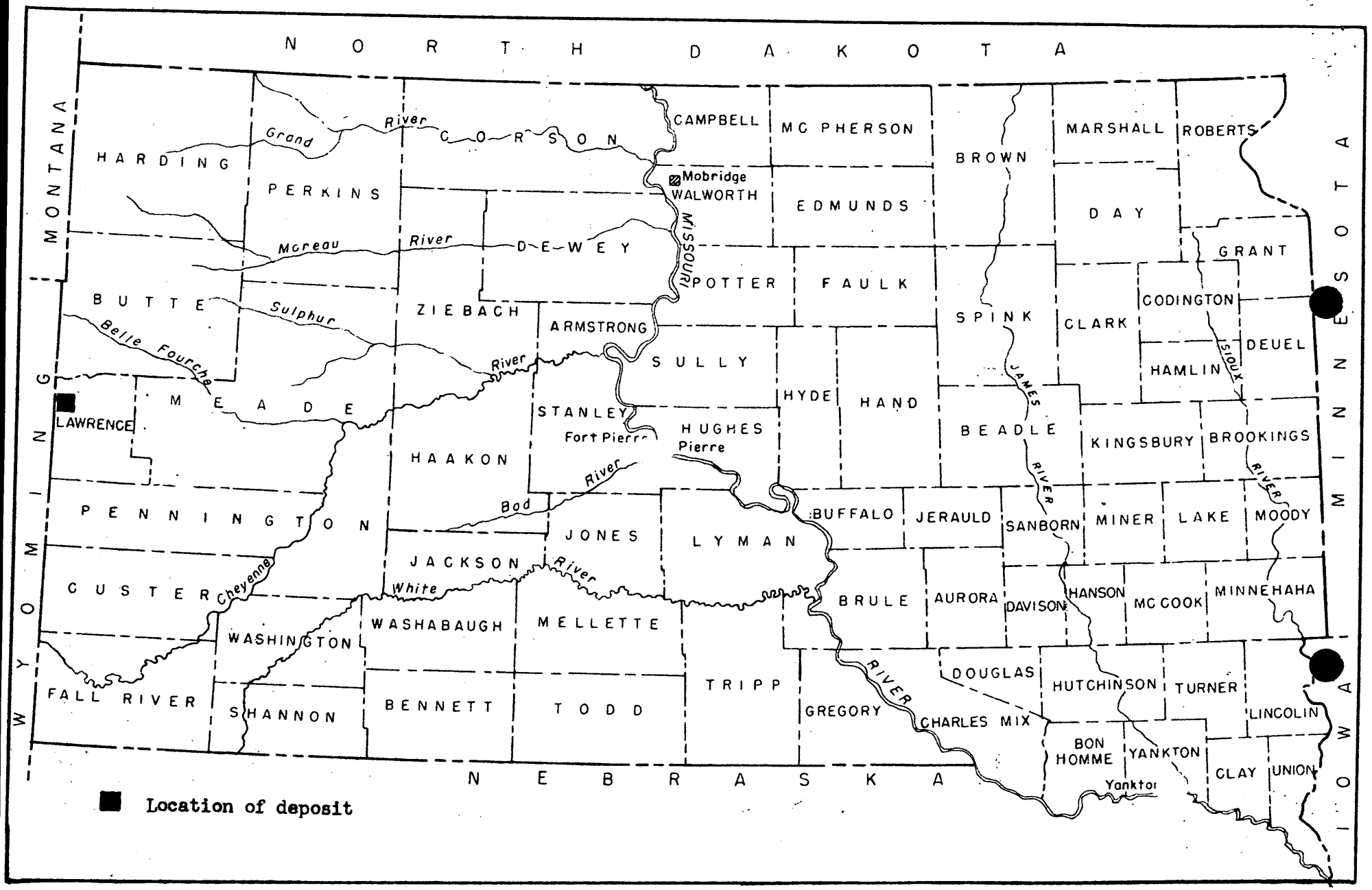

FIGURE 1.- LOCATION MAP, NORTHWEST DEFENSE MINERALS, INC., LAWRENCE COUNTY, SOUTH DAKOTA

DOCKET DMA 654X, CONTRACT Idm- E58

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composed predominantly of porphyry boulders and pebbles.

PROJECT

Operator's Proposals

Peggy Keenan d/b/a Keenan Properties initially made an application dated April 16, 1951, to Defense Minerals Administration for a production loan of $570,599 to equip the Keenan Properties for a drag line placer operation. The operation would be active six or seven months per year and handle approximately 430,000 cubic yards of gravel annually. The anticipated yearly recovery was given as 240,000 lb. tin, 80,000 lb. columbite-tantalite, and 4000 units WO_3. Bureau of Mines - Geological Survey reports indicated, however, that it was doubtful if even a small percentage of the given amounts could be produced. Accordingly, the application was denied.

A revised application was submitted which requested financial assistance in a testing and sampling exploration project, the first part to cost $19,000.00. The revised application was subsequently approved for contract.

Approved Program with Modifications

Contract Idm-E58 was executed by the Government and the operator effective July 16, 1951. The estimated project cost was $100,000 with Government participation at 90 percent or not to exceed $90,000. The contract was set up on a 2 phase basis whth phase 2 contingent on the result of phase 1.

Amendment No. 3 was executed effective as of the date of the contract to define and locate the work to be performed under phase 2. Work specifications and contract provisions were further modified by 14 additional amendments.

WORK COMPLETED

Phase I

Excavation and Sampling

Work started August 13, 1951, with the excavation of Trench No. 1 at the lower end of Bear Creek (fig. 3, Area A). Phase I work was completed September 22, 1951. Although the contract originally provided for the excavation of 5 trenches, 3 on Bear Creek and 2 on Potato Creek, by agreement, 9 trenches, 5 on Bear Creek (fig. 3, Area A) and 4 on Potato Creek (fig. 3, Area B) were excavated, sampled and the samples concentrated. The trenches were excavated principally by bulldozer with a small dragline used on the deeper trenches.

The 5 trenches excavated on Bear Creek and the 4 excavated on Potato Creek totaled 1089 lineal feet, which averaged 8.5 feet in width and 4.6 feet in depth. Dimensions of the individual trenches are:

	Trench No.	Length, feet	Width, feet	Depth, feet	Drain length, feet
Bear Creek					
	1	127	9.0	9.2	193
	2	91	5.4	3.7	80
	3	126	8.9	5.0	
	4	139	8.3	2.9	
	5	146	8.4	3.4	
Potato Creek					
	6	110	8.5	4.4	
	7	81.5	8.3	3.8	
	8	103	9.9	5.1	
	9	165.5	10.4	4.3	
Total (t)	9	1089 (t)			273 (t)
Averages (a) in feet			8.5 (a)	4.6 (a)	

Channels 6 in. deep by 24 in. wide were cut in the wall of each trench at regularly spaced intervals to sample the trenches. The channel interval, however, was varied by the operator from trench to trench in attempt to determine the optimum spacing. A total of 60 channel samples were taken. Twenty three were

concentrated as single samples. The remaining 37 samples were concentrated then combined to provide representations of individual trenches. Details of sample combinations may be found in the operator's report of phase 1 work by W. W. Johnson.

Concentration and Results

The concentrates from each run comprised the jig, bed, jig hutch, and concentrate from the head and tail sluice boxes. The entire concentrate was dried, mixed, weighed, sampled and split with the splits divided between the Government and operator.

The concentrated samples were assayed for gold, tin, columbium, tantalum and tungsten as WO_3. Assay results indicated the WO_3, mainly as sheelite to be too low in value ($0.02 per cu. yd.) to be included in the phase calculation of reserves. The operator reported a total value per cubic yard of $1.06 from a composite sample and $1.20 per cubic yard from individual samples. The Rapid City Experiment Station, Bureau of Mines, reported a recoverable value of $1.17 per cubic yard. All values are based on 1951 metal prices.

Costs

The acceptable costs for phase 1 work was $19,000 as established by Audit Certificate, amended. The audit made no attempt to establish the total acceptable units and costs for the individual categories of work, therefore, they are not reflected in table I.

Phase 2

Churn Drilling, Test Pitting and Sampling

Phase 2, Stage 1 exploration started September 27, 1955, and was completed November 15, 1955. The acceptable work completed consisted of 18 churn drill holes (fig. 3, Areas C and D) with a total aggregate depth of 348.5 feet, and 3 test pits totaling 31.5 feet in depth. Ellingson Bros. did the churn drilling

under contract. A Bucyrus-Erie 22W drill powered by a Hercules Model OX85 gasoline engine mounted on a Chevrolet 1.5 ton truck was used for drilling. A 6-in. diameter ~~bit~~ casing ? was employed to follow inside and behind 6-5/8"-I. D. ~~Standpipe~~ Drive Shoe. Samples were placed in variable sized grease and oil drums which were tagged, sealed and stored on the property.

The depths to which the holes were drilled are as follows:

Bear Creek		Beaver Creek	
Hole No.	Depth, feet	Hole No.	Depth, feet
1	21	1	18
2	23	2	19
3	26.5	3	19
4	22	4	19
5	22	5	16
6	30	6	16
7	8	7	20
8	20	8	17
9	15	9	17
Total	187.5 feet		161

Three-sectioned telescoping caissons were used in excavating the test pits. The smallest section of caisson was placed first and was the bottommost in the pit. Sections were lowered by block and tackle suspended from a tripod. Gravel to be excavated was hand shoveled into sample containers at the shallower depths and hand-hoisted in buckets at the deeper depths. The 2 test pits on Bear Creek were sunk to 6.25 and 7.0 feet respectively and the pit on Beaver Creek was sunk to 18.25 feet.

Concentration and Results

The concentration test on a portion of gravels from the 16.25-18.25 foot interval of Test Pit No. 1, Beaver Creek was started November 15, 1955, by the operator and completed November 17, 1955. The results of the test indicated a total of 0.7952 lb. strategic minerals. The gold content averaged 0.0228 oz. per ton. Table II summarizes the weight and value of the mineral constituents in

the tested gravel. The values indicated were from bedrock gravels; therefore, were not considered significant. Figure 4 shows the flowsheet diagram of equipment used to process the material.

Concentration of the remaining gravels from the lower part of Test Pit No. 1, Beaver Creek (fig. 3, Area D) and gravels from the two test pits on Bear Creek (fig. 3, Area C) were run by the operator during the period October 19, 1957-November 2, 1957. Table III shows the details of the concentration.

The Government arranged for delivery of phase 2 samples to the Denver Federal Center, Denver, Colorado, July 18, 1958, so that they could be completely processed and the results made known. Processing was performed under contract and the results were distributed in report form to the Washington Office OME and others concerned by copies of the Executive Officer's letter to the operator dated November 24, 1958.

Briefly the calculated values based on the analytical results contained in the report are estimated as follows:

Cubic yards concentrated	Wt. conc.	Value per cubic yard in dollars (1959 prices)				
		Nb_2O_5 Ta_2O_5	WO_3	Sn	Au	Total
16.356	20.412	$0.020	$0.019	$0.058	$1.053	$1.15

The values also represent pounds contained in a cubic yard of gravel.

The results of the concentration tests performed under contract are summarized by table III. The flowsheet employed is shown by figure 5. Summarization of the calculated metal values of the samples concentrated are shown in table IV.

Costs

Phase 2 costs to date accepted by the Government amount to $13,584.81 established by pre-audit analysis. The items, units and costs of work are summarized by table I. A net amount of $180.42 has been withheld from reimbursement to the operator pending receipt of the operator's final accounting and final engineering and geologic reports. Item 6 of the Termination Agreement stipulates that the

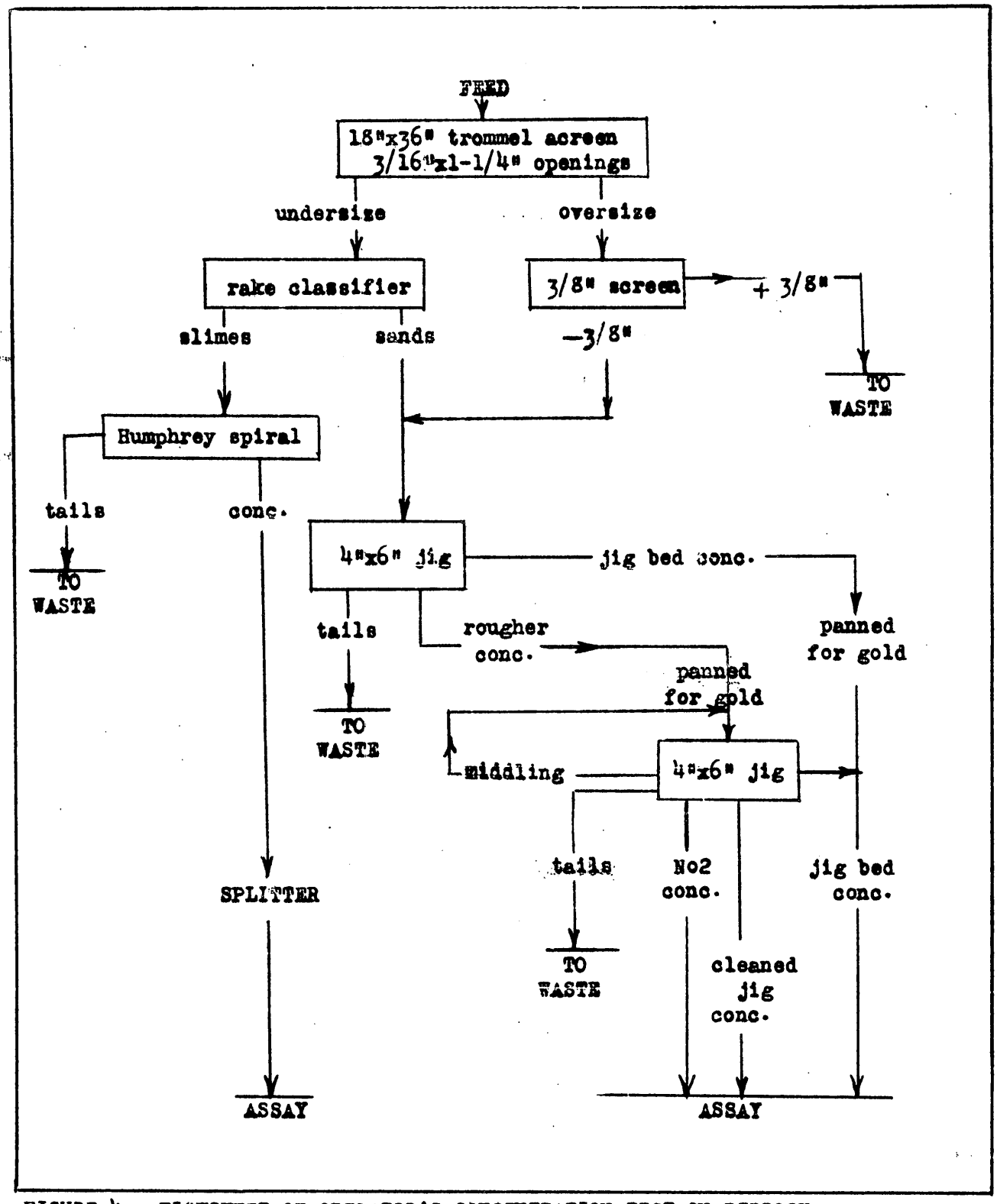

FIGURE 4.- FLOWSHEET OF OPERATOR'S CONCENTRATION TEST ON BEDROCK MATERIAL FROM PIT NO. 1, BEAVER CREEK

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DATE	INITIALS	CODE

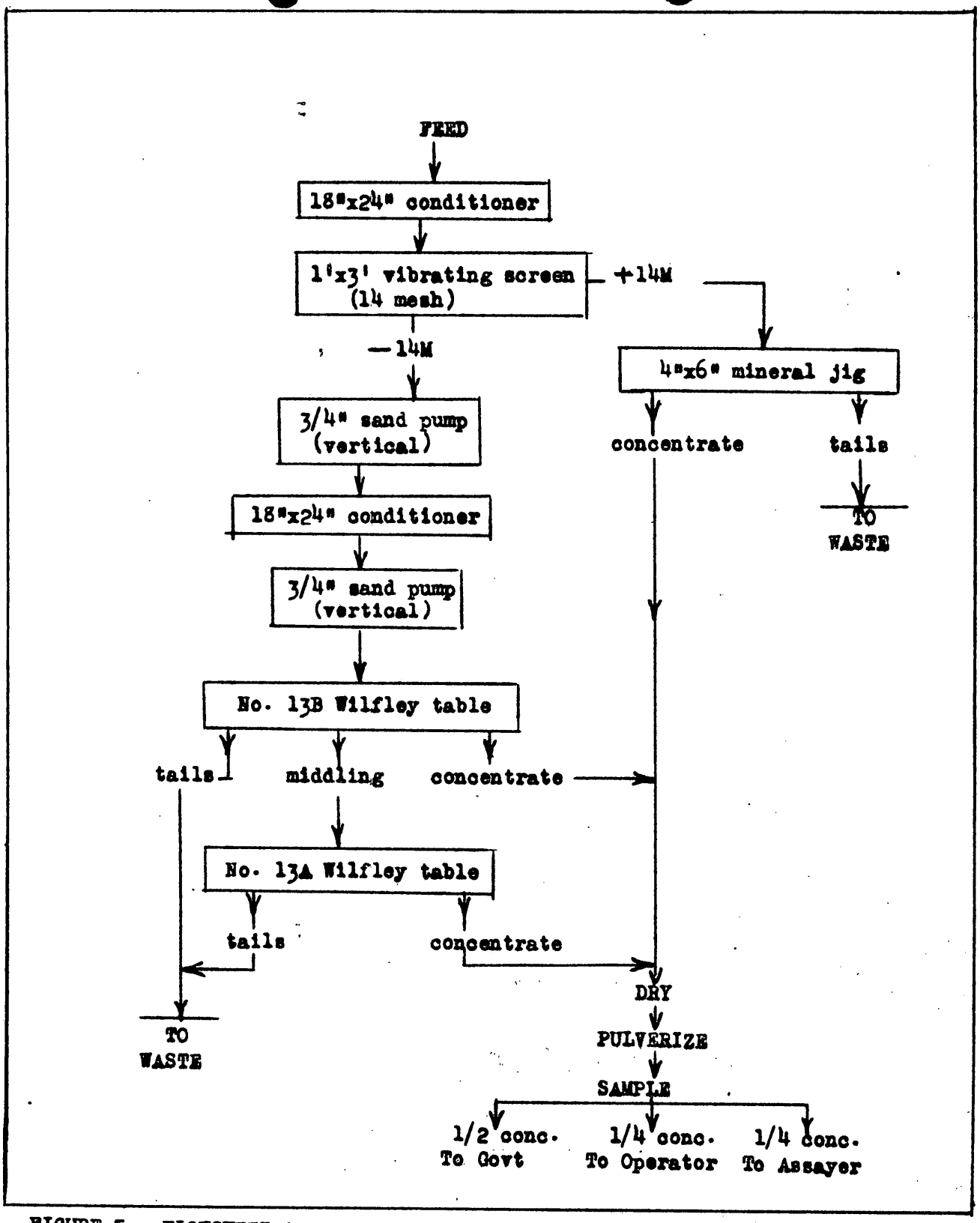

FIGURE 5.- FLOWSHEET OF DENVER EQUIPMENT COMPANY USED TO PROCESS OPERATOR'S SAMPLES

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RECEIVED MAY 28 1959

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Government will contribute only to the allowable costs, of winding up and settlement actions, including preparation of the required final report, which are incurred not later than January 1, 1959. Any changes in units of work or costs will be provided at a later date by means of audit report.

ORE RESERVES

The operator's report on phase 1 as prepared by W. W. Johnson, the operator's consultant, was in error in the yardage calculation. The error was corrected by the DMEA field team in Rapid City and incorporated in a report "Proposal for Exploration under Phase II" by J. A. Redden, geologist, U. S. Geological Survey, R. S. Hill and D. H. Mullen, mining engineers, U. S. Bureau of Mines. Based on the analytical results of phase 1 (corrected) the estimated reserves of placer gravel on Bear and Potato Creeks, also the total pounds of Nb_2O_5-Ta_2O_5, and tin and gold value and the pounds and value per cubic yard are as follows:

	Cubic yards	Total gold value dollars	Total Nb_2O_5 Ta_2O_5 content pounds	Total Tin content pounds
Bear Creek	214,594	75,920.42	111,277	27,024
Potato Creek	85,804	28,566.53	18,425	5,651
Totals	300,398	104,486.95	129,702	33,675

	Au dollars	Pounds and dollars Nb_2O_5 Ta_2O_5	Pounds and dollars Sn	Total value dollars
Average pounds and value*/ cu. yd.	.348	.432	.112	.892

Total value of placer gravels -- $267,955.02

*Based on 1959 prices

The amount of tungsten (WO_3) in the gravel was considered to be too low to be economically recoverable and was not included in the reserve estimate. An average tungsten (WO_3) content of less than .01 lb. for the trenches was reported by the operator's consultant, W. W. Johnson.

The results of phase 2 work were unfavorable inasmuch as the quantity and value of the strategic minerals, columbite-tantalite, tungsten WO_3, and tin were too small and low in grade to be significant or of economic importance. The average value of these minerals from the Bear Creek holes and test pits was approximately 10 cents per cubic yard and for Beaver Creek about the same. Gold values averaged $1.27 per cubic yard and $2.08 per cubic yard for Bear and Beaver Creeks respectively. These averages include one $12.66 value from hole 2 on Bear Creek and two high values in holes 2 and 3 on Beaver Creek. The gold value of the samples collected from Beaver Creek test pits was $1.37 per cubic yard and $0.95 for Bear Creek.

CONCLUSIONS AND RECOMMENDATIONS

All closing procedures have not been resolved. But as an expedient, conclusions and recommendations are made at this time.

The results obtained in phase 1 work indicate a significant discovery of columbite-tantalite and tin in the placer gravels of Bear and Potato Creeks. The results of work completed under phase 2 did not add significantly to the discovery indicated by phase 1 work, and consequently did not warrant Government participation in additional drilling or test pitting provided for by the contract. By mutual agreement, the project was terminated effective November 1, 1957, by Termination Agreement dated August 15, 1958 without the completion of all work provided for by the contract.

It is concluded that the placers of Bear, Potato, and Beaver Creeks within the areas shown by figure 3 have been adequately explored and further Government participation in the exploration of this land is not recommended. Recommendation is made that a Certification of Discovery or Development be issued inasmuch as work performed under the terms of the DMEA contract resulted in a significant discovery of columbite-tantalite, and tin in the placer gravels of Bear, Potato and Beaver Creeks.

TABLE I

Summary of items, units and costs of work

Item	Authorized Units	Authorized Unit Cost	Authorized Total Cost	Acceptable Units	Acceptable Unit Cost	Acceptable Total Cost
Phase I						
Trenches		-	$19,000.00	9 (1577 cu. yd.)	-	$19,000.00
Phase I totals	Inc. 5 9 Analysis @ 90.00		$19,000.00			$19,000.00
Phase II						
Churn Drilling	1600 ft.	$5.50	$8,800.00	348.5 ft.	$5.00	$1,742.50
Test Pits	180 ft.	25.00	4,500.00	31.5 ft.	25.00	787.50
Supervision	100 d.	50.00	5,000.00	48 d.	50.00	2,400.00
Gas & Oil	3½ mo.	100.00	350.00			208.85
Truck Rental	3½ mo.	160.00	560.00	0	0.00	0.00
Meals & Quarters	287 687 d. Nov. 1970	8.00	2296.00 ~~5,496.00~~	231 rd.	3.52	784.98
Travel Expense	-	-	1,000.00	-	-	308.92
Analyses 1/	89	25.00	2,225.00	6	56.33	338.00
Contingencies	-	-	2,000.00	-	-	1,135.84
Trans. of Samples 2/	-	-	-	36	16.10	579.74
Processing of Samples 2/	-	-	3200.00	36	115.91	4,172.85
Analyses 2/	-	-	-	39	28.86	1,125.63
Phase II totals			$29,931.00			$13,584.81

Reconciliation:

Total acceptable cost, Phase I	$19,000.00
Total acceptable cost, Phase II	13,584.81
Total acceptable cost of project	$32,584.81
Government contribution at 90 percent	$29,326.33
Total prior payments to operator	$29,145.91
Balance due operator (withheld)	$ 180.42

1/ Analyses reported by operator

2/ Work performed by independent contractors for operator's account, under specific direction of the Government, as provided in the Termination Agreement.

TABLE II. - Summary of operator's concentration test on bedrock material Pit No. 1, Beaver Creek.

Interval tested	16.25 ft. - 18.25 ft.
Volume	33.70 cu. ft.
Weight, concentrates	77.812 lb.

Analyses, Concentrates

Sample	Nb_2O_5 Ta_2O_5	Percent Sn	Percent WO_3	Oz./ton Au
Hand-panned conc. from bedrock gravel	1.24	26.13	6.66	19.33
Cleaned jig concentrate	1.21	7.62	2.54	7.48
No. 2 jig concentrate	0.10	0.62	0.92	1.26
Jig bed concentrate	Tr.	0.45	2.58	Tr.

Weight and Value of Concentrates

Mineral	Pounds/cu. yd.	Value, dollars/ cu. yd.*
Nb_2O_5 - Ta_2O_5	0.0522	0.073
Sn	0.528	0.536
WO_3	0.215	0.677
Au	0.0228 oz./ton	0.797
		$2.083 **

* Columbite-tantalite, $1.40/lb; Tin, $1.015 lb.; WO_3, $3.15 lb.; Au, $35.00 troy oz.

** $1.592 using 1959 metal prices.

TABLE III. - Summary of operator's concentration test on gravels, Pit No. 1, Beaver Creek and Pits Nos. 1 and 2, Bear Creek.

Beaver Creek	Pit No. 1
Cubic yards tested	15.106
Wt. jig hutch conc., lb.	7.8765
Wt. jig bed conc., lb.	7.2110
Wt. spiral conc., lb.	0.8100
Total wt. conc.,	10.8975
Gold, mg.	3920.24

Bear Creek	Pit No. 1	Pit No. 2
Cubic yards tested	3.39	4.309
Wt. jig hutch conc., lb.	0.738	2.774
Wt. jig bed conc., lb.	0.691	1.528
Wt. spiral conc., lb.	0.280	0.458
Total wt. conc.,	1.709	4.760
Gold, mg.	174	154.6

TABLE IV. - Summary of concentrating Phase 2 samples
Denver Equipment Company

Hole No.	Interval feet	Weight-lbs. Wet	Weight-lbs. Dry	Vol. cu. ft.	Concentrate weight-lbs.	Concentrate Assays percent: Au oz./ton	Nb_2O_5 Ta_2O_5	WO_3	Sn
1	0-12	215	105	1.72	2.13	Tr.	0.05	0.28	0.10
1	12-18	212	195	1.62	2.54	Tr.	0.03	0.01	0.10
2	0-12	163	151	1.33	2.60	0.20	0.04	0.02	0.20
2	12-19	1069	971	7.84	4.87	0.16	0.02	Tr.	1.20
3	0-12	251	230	1.86	5.17	0.22	0.03	Tr.	0.05
3	12-18	230	215	1.72	2.96	0.02	0.05	0.07	0.20
4	0-12	293	271	2.20	3.62	0.02	0.05	0.03	0.30
4	12-19	378	345	2.68	6.45	Tr.	0.03	0.01	0.05
5	0-12	316	288	2.26	4.42	0.13	0.60	0.04	0.30
5	12-16	213	191	1.82	2.11	0.02	0.40	0.03	0.60
6	0-12	604	570	4.91	2.20	0.07	0.30	0.01	0.10
6	12-16	207	185	1.50	2.39	Tr.	0.05	0.02	0.05
7	0-12	417	368	3.78	2.23	0.15	0.10	Tr.	0.10
7	12-18	157	140	1.26	1.81	0.03	0.10	Tr.	0.60
8	0-12	314	280	2.32	2.83	Tr.	0.20	Tr.	0.02
8	12-17	363	308	2.83	3.80	Tr.	0.05	0.01	0.03
9	0-12	187	177	1.69	2.47	0.01	0.10	0.01	0.05
9	12-17	179	160	1.50	1.96	0.01	0.02	Tr.	0.05
Totals		5768	5150	44.84	56.56				
Pit #1	0-16¼			12.975 cu. yds.	5.79	0.03	2.40	0.35	2.60
				Bear Creek					
1	0-6	139	121	1.07	3.20	Tr.	0.05	0.01	0.10
1	6-12	499	415	4.25	4.00	0.01	0.10	0.01	0.10
2	0-6	248	233	1.93	2.02	0.07	0.10	0.02	0.10
2	6-12	351	332	3.71	2.94	0.40	0.20	0.05	0.20
3	0-6	157	134	1.14	1.54	Tr.	0.05	Tr.	0.10
3	6-12	150	128	1.04	1.22	0.02	0.05	Tr.	0.05
4	0-6	110	95	0.86	1.87	0.01	0.05	0.02	0.30

TABLE IV (cont.)

Hole No.	Interval feet	Weight-lbs. Wet	Weight-lbs. Dry	Vol. cu. ft.	Concentrate weight-lbs.	Percent Concentrate Assays: Au oz./ton	Nb_2O_5 Ta_2O_5	WO_3	Sn
4	6-12	100	89	0.87	2.49	0.03	0.05	Tr.	0.10
5	0-6	44	36	0.38	1.14	0.01	0.03	0.01	0.20
5	6-12	151	130	1.16	1.52	Tr.	0.05	Tr.	0.05
6	0-6	108	103	1.02	1.22	Tr.	0.03	Tr.	0.10
6	6-12	125	119	1.12	1.27	Tr.	0.04	0.01	0.20
7	0-6	289	264	2.31	1.85	Tr.	0.05	0.01	0.10
7	6-12	182	148	1.35	1.00	Tr.	0.10	0.01	0.10
8	0-6	161	140	2.40	3.45	Tr.	0.10	0.02	0.20
8	6-12	188	165	1.60	2.23	Tr.	0.05	0.01	0.20
9	0-6	281	241	1.40	2.41	Tr.	0.10	Tr.	0.20
9	6-12	184	162	2.00	2.54	Tr.	0.10	0.01	0.10
Totals		3467	3055	29.61	37.91				
Pit #1	0-6¼			3.39	1.75	0.02	0.80	0.26	1.70
Pit #2	0 - 7			4.309	3.19	0.02	0.30	0.12	0.80

TABLE V. - Summary of calculated metal values based on Denver Equipment Company processing results.

Beaver Creek Concentrates

Hole No.	Average value and weight*/ cu. yd. Nb_2O_5-Ta_2O_5	WO_3	Sn	Au value/cu. yard	Total value
1	.014	.047	.036	Tr.	$0.097
2	.009	.004	.134	8.20	8.357
3	.023	.013	.056	6.950	7.042
4	.020	.008	.067	0.339	0.434
5	.248	.017	.166	4.450	4.881
6	.027	.005	.014	1.590	1.636
7	.027	none	.113	4.550	4.690
8	.039	.002	.009	Tr.	0.050
9	.025	.002	.019	0.455	0.501
Pit No. 1	.020	.019	.058	1.053	1.150

*pounds

Bear Creek Concentrates

1	.031	.004	.049	0.263	0.347
2	.036	.008	.063	12.551	12.658
3	.017	-	.027	0.417	0.461
4	.034	.005	.118	1.035	1.193
5	.020	.003	.017	0.203	0.243
6	.011	.002	.047	-	0.060
7	.014	.002	.021	-	0.037
8	.031	.006	.076	-	0.114
9	.040	.002	.062	-	0.104
Pit No. 1	.004	.001	.009	0.945	0.959
Pit No. 2	.002	.001	.006	0.945	0.954

*pounds

The average combined weight and value per cubic yard of columbite-tantalite, WO_3 and Sn for the holes on Beaver and Bear Creeks is $0.127 and $0.083 respectively.

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2 Maps - final F. I. report
Region II memo 5/25/59

U. S. Government Messenger Envelope

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(10-58)

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5/19	J. Lynch	140
		~~140~~
5/20	Talbot	800
5/22	Selfridge	130
		~~110~~
		~~120~~
5/22	Graham	~~220~~/30
5/22	Ridgway	~~700~~ 130
5/24		220
		700

MAY 29 1959

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
No. 1 D
1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc. (Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Miss Keenan:

Enclosed is a "Certification by the United States of America of a Discovery or Development Under an Exploration Project Contract." This certification covers all the land described in Article 2 of the subject contract.

By the terms of the Exploration Project Contract, as amended, and of the certification, all minerals mined or produced from July 16, 1951, to July 16, 1966, are subject to the Government's percentage royalty as set forth in the contract until the amount contributed by the Government is repaid.

Payments should be made to the Executive Officer, GME Field Team, Region III, 224 New Customhouse Building, Denver 2, Colorado. Checks should be payable to the Office of Minerals Exploration, which is the successor to the Defense Minerals Exploration Administration. The purchaser should be advised to deduct the royalties from the amount due on each shipment and forward the check directly to the Executive Officer. Any bonus payments or allowances received by you from production are considered to be a part of the purchase price to which the Government's royalty applies. Royalty payments to the Government should be accompanied by suitable evidence, such as copies of settlement sheets, showing quantity and grade of the products sold, the name of the purchaser, and the price and charges, certified to be correct by the purchaser.

You are requested to notify the Executive Officer of any changes in ownership or production rights that might have any effect on the Government's right to its percentage royalty. Your attention is especially called to Article 15(d) in Annex I of the contract

43683

relating to the preservation of the Government's right to a percentage royalty on production. Also, when production starts, please notify the Executive Officer. Thereafter, if production ceases for an extended period, he should be informed accordingly at six-month intervals.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosures

FLKnouse/GMcC
May 13, 1959

cc: Docket
Director's Read. File
OME Field Team, Region III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Division of Contract Adm. & Audit
Frank E. Johnson
F. L. Knouse (2)

Miss Peggy Keenan
c/o W. C. Broadgate, 421 Tower Bldg., Wash. 5, D.C.
Mr. James Everett Bacon, Vice Pres.
Northwest Defense Minerals, Inc., 600 Woodside Parkway, Silver Spring, Md.
Mr. W. O. Fillmore
Spearfish, S. D.
Mrs (Miss) Lillian G. Fillmore, Secy-Treas.
Dakota Tin and Gold Co., Spearfish, S. D.
Mrs (Miss) Lillian G. Fillmore
Spearfish, S. D.
Mr. Ross J. Beatty, Jr., President
Black Hills Tin Co., 332 South Michigan Ave., Chicago 4, Illinois

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	Knouse	700
5/19	J. Lynch	140
5/20	Talbert	800
5/22	Selfridge	130
		~~130~~
5/22	Kiilsgaard	~~140~~
5/22	Johnson	130
		~~140~~ ~~100~~
5/29	G	220

700

MAY 29 1959

Miss Peggy Keenan
d/b/a Keenan Properties
No. 1-D
1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Ida-E58

Dear Miss Keenan:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter of even date to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the subject contract dated July 16, 1951, the assignment of which to Northwest Defense Minerals, Inc., was approved by the Government on December 13, 1954, without releasing you from any of the terms, provisions, and conditions of the contract. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom. In the event the Operator fails to pay any royalty due to the Government from production during that period, the Government may look to you for payment thereof.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosures

FLKnouse-fw-5/13/59
cc: ~~Docket~~
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
F.D.Lamb, Rm. 3608
T.H.Kiilsgaard, Rm.5224
Audit Div.
F.E.Johnson
F.L.Knouse (2)
Chron.
Miss Peggy Keenan
c/o W.C.Broadgate,
421 Tower Bldg.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	Knouse	700
5/19	J. Lynch	140
5/20	Talbut	~~800~~
		~~800~~
5/22	Selfridge	~~130~~ 130
		~~130~~
5/22	Kilsgaard	130
5/22	Josephson	130
		~~100~~
5/29	a	220
		700

MAY 29 1959

Mr. W. O. Fillmore

Spearfish, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Mr. Fillmore:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Landlord's Subordination Agreement dated June 16, 1951, the Owner's Consent to Lien dated October 16, 1952, and two Owner's Consents to Lien dated July 26, 1954, all signed by you. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosures

FLKnouse/fw-5/13/59
cc: ~~Docket~~
Dir.Read.File
~~Finance-Office~~
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Div. Contract Adm. & Audit
F.E. Johnson F.L.Knouse (2) Chron.

8623

Mr. W. O. Fillmore also signed an "Owner's Consent to Lien", on June 21, 1952, covering lands in Crook County, Wyoming. These lands do not appear to be part of this contract.

J. L.

The above clause not applicable to this document executed.

DNEA-654

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	Knouse	700
5/19	J. Lynch	140
5/20	Talbut	~~800~~
		~~800~~
5/22	Selfridge	130
		~~130~~
5/22	Kilsgaard	130
5/22	Jaynson	110
		~~100~~
5/29	G	220
		700

MAY 29 1959

Miss Lillian G. Fillmore
Secretary-Treasurer
Dakota Tin & Gold Company
Spearfish, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Miss Fillmore:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Landlord's Subordination Agreement dated June 16, 1951, and Owner's Consent to Lien dated October 29, 1954, signed by you. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Acting Director

Enclosures

FLKnouse/fw-5/13/59
cc: Docket
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Div. Contract Adm. & Audit
F. E. Johnson F.L.Knouse (2) Chron.

8623

(Mrs) Miss Fillmore, as Secretary-Treasurer, of Dakota Tin & Gold Co., also signed an "Owner's Consent to Lien", on July 26, 1954.

J. L.

The above does not apply to the document involved. FEJ.

Amer-654

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	Knouse	700
5/19	Johnson	140
5/20	Talbut	~~800~~
		~~800~~
5/22	Selfridge	130
		~~100~~
5/22	Kiilsgaard	130
5/22	Josephson	130
		~~100~~
5/29	a	220
		700

MAY 29 1959

Miss Lillian G. Fillmore

Spearfish, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Miss Fillmore:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Owner's Consent to Lien signed by you on July 26, 1954. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosures

FLKnouse/fw-5/13/59
cc: Docket
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Div. Contract Adm. & Audit
F.E.Johnson F. L. Knouse (2) Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	Knouse	700
5/19	Edwards	140
5/20	Talbert	800
5/22	Selfridge	130
		~~130~~
5/22	Kiilsgaard	130
5/22	Josephson	130
		~~110~~
		~~100~~
5/29	a	220

700

MAY 29 1959

Mr. Ross J. Beatty, Jr., President
Black Hills Tin Company
332 South Michigan Avenue
Chicago 4, Illinois

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Mr. Beatty:

Enclosed is a copy of a certification of discovery or development, with copy of covering letter to the Operator, which has been issued pursuant to the terms of the above-cited contract.

This correspondence relates to the Owner's Consents to Lien dated October 14, 1952, and August 26, 1954, both signed by you. The Government's prior lien on the land and upon any production therefrom will continue in existence for the length of time mentioned in the enclosed copy of the letter to the Operator. You are obligated during that period to commit no act and to assert no claim in conflict with the Government's rights under the agreement signed by you, and to give advance notice of the Government's rights to any transferee or lessee of any part of your interest in the land or the production therefrom.

Sincerely yours,

Frank E. Johnson

Acting Director

Enclosures
FLKnouse/fw-5/13/59
cc: Docket
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3603
T. H. Kiilsgaard, Rm. 5224
Div. Contract Adm. & Audit
F.E.Johnson
F. L.Knouse (2)
Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/18	Knouse	700
5/19	J. Lynch	140
5/20	Talbut	800
5/21	Selfridge	130
		~~130~~
5/22	Kiilsgaard	130
5/22	Josephson	130
		~~110~~ ~~100~~
5/29	G	220

700

MAY 29 1959

Mr. Clarence A. Fredell, Director
Technical Research and Development Division
Defense Materials Service
General Services Administration
6018 GSA Building
Washington 25, D. C.

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc.
(Assignee)
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Mr. Fredell:

I am enclosing one copy of a certification of discovery or development relating to the subject exploration contract.

The final report of the Field Team and final accounting of funds expended on this project have not been completed. When these reports are received, we will supply additional information relating to this project for your records.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

Enclosure

FLKnouse/fw-5/13/59
cc: Docket
Dir.Read.File
Field Team, Reg. III (2)
Operating Committee
Frank D. Lamb, Rm. 3608
T. H. Kiilsgaard, Rm. 5224
Div. Contract Adm. & Audit
F. E. Johnson F. L. Knouse (2) Chron.

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/20	Kuonse	700
5/20	Fabfyt	800
5/22	Selfridge	130
5/22	Johnson	110
5/22	a	220
		700

MAY 22 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: Chairman, Operating Committee

Subject: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-E58

We approve your recommendation of May 7 to withhold the unpaid balance of funds due the Operator for its estimated share of the cost to prepare a final engineering and geological report. However, in view of your letter to the Operator of May 7, the matter should be held in abeyance until after June 10 and then take action as stated in your letter.

/S/ George C. Selfridge (GCS)

APPROVED:

(sgd.) G. W. Josephson (GCS)
Member, Bureau of Mines

Thor H. Kiilsgaard (GCS)
Member, Geological Survey

FLKnouse/gla 5-20-59
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
FLKnouse

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
WASHINGTON 25, D. C.

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 19 1959

DATE	INITIALS	CODE
		700

May 18, 1959

Memorandum

To: Acting Director, Office of Minerals Exploration

From: Acting Associate Solicitor,
Division of Mineral Resources

Subject: Docket No. DMEA-654X, Contract Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

The following facts appear from the file informally submitted to us by Mr. Knouse:

1. The exploration contract has been terminated by agreement dated August 15, 1958, which provides:

(a) that the Government will contribute to no further costs other than to those incidental to winding-up "including the making and rendering of a comprehensive final geologic and engineering report".

(b) that the Government's rights with respect to certification and reports are preserved.

2. The Operator fails and neglects to render the final report.

3. By letter dated May 7, the Executive Officer, OME Field Team, notified the operator that if the final report has not been received by June 10, 1959 ". . . the estimated cost of the final engineering and geologic report will be charged against the amount being withheld from reimbursement to you, and any remaining balance will be paid upon final settlement of the account".

4. By memorandum dated May 7, 1959, the Executive Officer advised the Chairman, Operating Committee of the above action, and showing a balance of $180.42 unpaid and owing to the operator on account of project costs. This sum, as we understand it, the Field Team proposes to withhold if the report is not forthcoming, and charge the amount to the operator in a final winding-up and settlement action.

5. The contract contains no express provision authorizing the Government to withhold money for the default of the operator.

6. A certificate of discovery or development is to be issued.

7. The purpose of OME is to close this old DMEA matter and to leave the project certified.

It is our opinion that the Government (OME) has the right to wind up the contract and close the file in the manner contemplated. Of course the Government might invoke the applicable legal procedures, such as specific performance, to require the operator to render the report, or might submit the matter to the Comptroller General for consideration. It seems probable that these procedures are not practicable in this case.

In any event, in view of the letter to the operator of June 10, we suggest that the matter be held in abeyance until that date and then action taken as stated in the letter. If the operator makes no objection, perhaps such action will serve to wind up the matter.

J. L. Hofflund

J. L. Hofflund

OFFICIAL FILE COPY
O. M. E.
RECEIVED MAY 18 1959

DATE	INITIALS	CODE
5/18	a	220
5/18	[illegible]	800
5/19	[illegible]	700

224 New Customhouse
Denver 2, Colorado
May 14, 1959

CERTIFIED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 B 1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Rawlins Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

Enclosed herewith are the following listed checks which were submitted with Form MF-104, Operator's Monthly Report and Voucher for the period from October 9 through November 25, 1955. Photo copies of the checks have been made for our purpose:

Check No.	Date	Payee	Amount
165	July 19, 1955	Mrs. Donato	$25.00
197	Sept 28, 1955	Ben Franklin Store	5.28
201	Oct. 1, 1955	Safeway	5.75
206	Oct. 7, 1955	Safeway	4.29
218	Oct. 9, 1955	Safeway	2.62
219	Oct. 9, 1955	Ruth Rummans	2.03
222	Oct. 13, 1955	Safeway	2.84
235	Oct. 15, 1955	Safeway	12.65
241	Oct. 19, 1955	Kato Engineering Co.	6.65
258	Oct. 24, 1955	Safeway	1.85
267	Oct. 27, 1955	Ruth Rummans	34.40
278	Nov. 3, 1955	Safeway	5.87
286	Nov. 3, 1955	Ruth Rummans	34.40
289	Nov. 10, 1955	T. C. Tor	4.95
290	Nov. 10, 1955	Ashley Variety	7.37
291	Nov. 10, 1955	(Jacks) Super Market	14.68
297	Nov. 12, 1955	Ruth Rummans	34.40
508	Nov. 23, 1955	Ruth Rummans	34.40
509	Nov. 22, 1955	Ruth Rummans	18.39

Check No.	Date	Payee	Amount
520	Nov. 24, 1955	Hanson Grocery	$73.19
521	Nov. 24, 1955	Jacks Super Market	64.40
525	Dec. 3, 1955	Eddies Tire & Service	58.15
526	Dec. 3, 1955	Eddies Tire & Service	40.60
531	Nov. 26, 1955	Ruth Bumgarn	6.66

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enclosures

JDC:ltm

cc: Chmn. Op. Comm. (2)
Marshall, OME/DFC
Harshman
Corres. file, Reg. III
Cooper
Chron.

cy To 800

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 11 1959		
DATE	INITIALS	CODE
5/11	G	220
5/12	E Knouse	700

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
May 7, 1959

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, South Dakota

In reference to the matter discussed in your memorandum of May 4, 1959, enclosed are two copies of our letter of May 7, 1959, whereby we allow the subject Operator until not later than June 10, 1959, to submit its final report.

Pre-audit analysis by the Contract Administration and Audit Division, OME, indicates that it will be necessary to disallow an additional amount of $130.51 of the reported project costs. This will leave a balance of $180.42 withheld, representing $200.47 of project costs.

We believe that the entire amount of $200.47 should be disallowed in lieu of the Operator's final report. If you are in agreement, and will so inform this office, we will be able to immediately initiate closing procedures if the report is not received by June 10, 1959.

J. W. Townsend

J. W. Townsend

Enclosures

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 11 1959		
DATE	INITIALS	CODE

[illegible] New Customhouse
Denver 2, Colorado
May 7, 1959

REGISTERED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 B 1302 Second Avenue
New York 21, New York

Re: Docket No. [illegible] 69AX (Tin, Columbium-Tantalum, Tungsten)
Contract 14s-[illegible]
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to our letter of March 20, 1959, and to our previous correspondence, relative to your furnishing to the Government a final engineering and geologic report and final accounting report, as required under Articles 14 and 17 of the captioned contract.

We wish to cooperate fully with you in allowing ample time for submission of the reports, but if they have not been received by June 10, 1959, we will then consider that you do not intend to submit them. In this event, the estimated cost of the final engineering and geologic report will be charged against the amount being withheld from reimbursement to you, and any remaining balance will be paid upon final settlement of the account.

Very truly yours,

Original signed by
J. W. TOWNSEND
J. W. Townsend
Executive Officer, OME
Field Team, Region III

JDC:hmb

cc: Chmn. Op. Comm. (2)
Marshman
Marshall, OME/BMG
Corres. file, Reg. III
Cooper
Chron

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
April 30, 1959

OFFICIAL FILE COPY O. M. E. RECEIVED MAY 4 1959		
DATE	INITIALS	CODE
5/4	a	220
5/4	~~Kuoma~~	700

Memorandum

To: Acting Chairman, Operating Committee, OME

From: Acting Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten), Northwest Defense Minerals, Inc., (Keenan Properties) Lawrence County, South Dakota, Contract Idm-E58

In reference to your memorandum of April 24, 1959, please be advised that the OME field examiners intend to recommend certification of the subject project as a discovery or development. Although the total value of the recoverable metals is low ($1.15±)per yard and the yardage small (300,000 ± cubic yards) the Field Team will concur with this recommendation.

The rough draft of the final report by the OME field examiners has been completed. It is estimated that the report can be reviewed, and final typing completed within three weeks, at which time it will be forwarded to you. Supplemental data will be forwarded when the account is closed.

E. N. Harshman

E. N. Harshman

MME Form 7
(10-58)

[redacted]

OFFICIAL FILE COPY

Date	Surname	Code
5/1	Knouse	700
5/1	Talbot	800
5/1	GCS	130
5/1	Johnson	110
5/4	a	220
		700

MAY 4 1959

Memorandum

To: Executive Officer, GMK Field Team, Region III

From: Chairman, Operating Committee

Subject: Docket No. DMEA-654X (Tin, Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc., Assignee
Keenen Properties
Lawrence County, South Dakota
Contract No. Idm-458

This is with reference to your memorandum of April 23, 1959, regarding your inability to obtain the Operator's final report for the subject project. We suggest that you write and advise the Operator that unless the final report is received within 30 days the estimated cost of the final report will be charged against the amount being withheld from payment and any remaining balance will be paid with the final settlement. The letter should be sent by registered mail with a return receipt requested. Since the project is on a 90 percent Government participation basis we assume the balance due the Operator of $292.53, as is indicated in your memorandum of November 3, 1958, will be ample to cover the Operator's share of the estimated cost for this report.

Please forward your final report of the subject project when it is completed. It should not be held up until the Operator's report is received. Any change in the report because of the late arrival of the Operator's report may be covered with a supplement, or in the Field Team's summary of the final report.

/s/ George C. Selfridge (24B)

APPROVED:

(sgd.) G. W. Josephson (24B)
Member, Bureau of Mines

Thor H. Kiilsgaard (24B)
Member, Geological Survey

cc: Docket
Director's Reading File
Operating Committee
T. H. Kiilsgaard
James W. Pennington
Mr. Knouse

FLKnouse/GMcC
April 30, 1959

43683

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
April 23, 1959

cy to 130

OFFICIAL FILE COPY O. M. E. RECEIVED APR 27 1959		
DATE	INITIALS	CODE
4/27	G	220
"	Khouse	700

Memorandum

To: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, ~~Region III~~

Subject: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, South Dakota

Reference is made to our letters of November 24, 1958, January 26, 1959, and March 20, 1959, whereby we have attempted to obtain from the Operator a final engineering and geologic report and final accounting report as provided for under Articles 14 and 17 of the contract.

Only four copies of the final engineering and geologic report are required under Article 14 of the contract, however the Operator was advised by our letter of November 24, 1958, that five copies are now required by the Government.

We have exhausted all reasonable efforts to obtain the required reports, without success, therefore we are referring the matter to your office for such action as may be required to either obtain the reports, or to otherwise protect the Government's interests.

J. W. Townsend

J. W. Townsend

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
4/27	Knouse	700
4/27	Talbot	800
4/29	Martin	130
"	Johnson	100
		JHB
4/27	C	220
		700

APR 24 1959

Memorandum

To: Executive Officer, OME Field Team, Region III

From: ACTING Chairman, Operating Committee, OME

Subject: Docket No. DMEA-654 (Tin-Columbium-Tantalum-Tungsten)
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota
Contract No. Idm-258

Please advise whether or not the Field Team will recommend issuing a certification of discovery or development for the subject project. Also, please furnish the necessary information as justification for the recommendations.

In this connection, please advise when we may expect to receive the Final Field Team Report for the subject project.

/s/ W. S. Martin

(JHB)

APPROVED:

(sgd.) G. W. Josephson (JHB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JHB)
Member, Geological Survey

cc: Docket
Director's Reading File
Operating Committee
T. H. Kiilsgaard
Wm. R. Barton
Mr. Knouse

FIKnouse/GMcC
April 22, 1959

43683

OFFICIAL FILE
O. M. E.
RECEIVED MAR 23 1959

DATE	INITIALS
3/25	C 220
3/24	Clause 700

224 New Customhouse
Denver 2, Colorado
March 20, 1959

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 B 1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 6[illegible] (Tin, Columbium-Tantalum, Tungsten)
Contract IdM-[illegible]
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to our letters of November 24, 1958, January 26, 1959, and February 12, 1959, regarding the rendering of your final accounting and final engineering and geologic reports.

Final settlement of the account cannot be accomplished until the results of a final audit are released to this office by the Contract Administration and Audit Division, OME. The final audit cannot be scheduled until your final accounting and final engineering and geologic reports are received.

Because of an imminent reduction in personnel for administration of DMEA contracts it is imperative that all closing procedures be resolved without further delay. Therefore, in order that we can make plans for scheduling the account for audit, please advise as to the date on or before which we can expect to receive the final accounting and final engineering and geologic reports.

We again direct your attention to item 6 of the Termination Agreement, which specifies that the Government will contribute only to the allowable costs of winding up and settlement actions incurred <u>not later than</u> January 1, 1959.

Very truly yours,
Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

cc: Miss Peggy Keenan
Spearfish, South Dakota

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corses. file, Reg.III
Cooper
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED FEB 16 1959

DATE	INITIALS	CODE
2/16	C	220
2/16	[illegible]	800
2/16	Kubena	700

224 New Customhouse
Denver 2, Colorado
February 12, 1959

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
1 D -1322 Second Avenue
New York 21, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Your letter of February 2, 1959, requesting information, has been received in this office.

By letter of December 28, 1955, we requested from you essentially the same information pertaining to Phase I work as you are now requesting from this office. As the information was not furnished to us as requested, we are obviously unable to comply with your request at this time.

The report entitled, "Report, Keenan Properties", which was prepared for you by the Walter W. Johnson Company in 1952, and of which we presume you have a copy, should contain the basic information required for the Phase I portion of your final report.

In regard to the Phase II work, we believe that the available data listed in your letter, together with such working papers as Mr. Atwater will have, should be sufficient for preparation of the Phase II portion of your final report.

Enclosed are one copy each of voucher and accounting Forms MF-104, and MF-104A, which were prepared for information purposes, and which include all allowable Phase II units and costs to date, subject to audit, including the costs of transportation, processing and analysis of samples which was performed under the direction of the Government as provided in items 2, 3 and 4, of the Termination Agreement, dated August 15, 1958.

The Government has made payment directly to the vendors for the entire cost of transportation, processing and analysis of samples. The Operator's portion of these costs will be deducted from the amount previously withheld from reimbursement to your company, when final settlement of the account is processed.

Your final accounting report must include all of the units and costs contained on the enclosed forms, as well as any allowable costs of winding up and settlement actions incurred not later than January 1, 1959, as provided for under item 6 of the Termination Agreement.

Very truly yours,

Original signed by
J. W. TOWNSEND
J. W. Townsend
Executive Officer,
OME Field Team, Region III

Enclosures
JDC:hmh

cc: Chmn. Op. Comm. (2))
Harshman) w/copy of
Marshall, OME/DFC) Operator's
Corres.file,Reg.III) letter of 2/2/59
Cooper
Chron

NORTHWEST DEFENSE MINERALS, INC.
SPEARFISH, SOUTH DAKOTA

Office of the President

DEPARTMENT OF THE INTERIOR
FEB 9 - 1959
REGIONAL
DENVER, COLORADO
OFFICIAL FILE COPY
O. M. E. CONCENTRATES:
BERYLLIUM.
COLUMBITE TANTALUM.
FELDSPAR MICA.
TUNGSTEN, GOLD
RECEIVED FEB 16 1959
DATE | INITIALS | CODE
Project File 65-4
Docket 65-4X

Feb 2, 1959

Mr. C.W. Townsend
Executive Officer, OME
Field Team Region II
224 New Customhouse
Denver, 2, Colorado.

Dear Mr. Townsend:

With reference to your letter of Jan 26, 1959, and to items 5 & 6 of the Termination Agreement dated Aug 15, 1958, I am still in New York with only the following DMEA documents available:

Termination agreement and correspondence.
Phase II Nov 5th 1955 - Progress report
Phase II Report 3
Phase II Report 4
Inventory of Churn Drill hole concentrates sent to Denver.

If your office can furnish copies of Phase I and any missing reports necessary for the final engineering and geological report, Mr. R. M. Atwater, I will make the report while he is in New York. I will make an Operator's report.

No accounting sheets are available here, all reports and accounting

[illegible] large boxes [illegible]
[illegible] [illegible] at our the [illegible] of the
[illegible] Cabin Headquarters.

We are endeavoring to use all possible speed to consummate finance for our production, so that I may leave for Dakota where I am long overdue. I am anxious as your time is in concluding all matters in Items 5 and 6. The delay is devastating.

Please advise what copies you can furnish for Mr Atwater, he was not project engineer on Phase I and has no copies of that exploration.

Yours very truly,
Northwest Uranium Minerals Inc.
Jay Kernan, Pres.

19 - 1322 Second Ave.,
N.Y. 21, N.Y.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 29 1959

DATE	INITIALS	CODE
1/29	C	220
1/29	[illegible]	800
"	[illegible]	700

224 New Customhouse
Denver 2, Colorado
January 26, 1959

AIRMAIL CERTIFIED

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.,
No. 1 D, 1332 Second Avenue
New York, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Idm-E58
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Item 5 of the Termination Agreement, dated August 15, 1958, provides that the Operator shall promptly perform all winding-up actions, including the rendering of the final engineering and geologic report and final accounting report.

We wish to direct your attention to Item 6 of the Termination agreement, which provides that the Government will contribute only to the allowable costs of winding-up actions which are incurred not later than January 1, 1959.

It is imperative that the account be closed at the earliest possible date, therefore your immediate attention in rendering five copies of a final engineering and geologic report and final accounting report is requested.

Please reply to this office by return mail giving a firm commitment as to the date on or before which we can expect to receive your final engineering and geologic report and final accounting report.

Very truly yours,
Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres.file, Reg. III
Cooper
Chron

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/19/59	Ching	700
1/19	Knowlse	700
1/19	Selfridge	120
1/19	Johnson	110
		~~100~~
		220
		700

JAN 19 1959

Hon. Francis Case
United States Senate
Senate Office Building
Washington 25, D. C.

Dear Senator Case:

This will reply to your letter of January 13, 1959, addressed to Mr. C. O. Mittendorf, who is no longer with this office.

The "DMEA loan" referred to by Mr. Brickel is covered by an exploration contract, dated July 16, 1951, between the Government and Northwest Defense Minerals, Inc., Assignee. The total cost of the project was originally estimated as $100,000.00, of which the Government's participation at 90 percent would be $90,000.00. However, the amount actually contributed by the Government will be dependent upon actual costs insurred and allowable under the contract, and can vary considerably from the original estimate.

The project encountered many delays and was only recently terminated. Winding-up and settlement actions, including a final report by the operator, have yet to be completed.

We consider that we are not at liberty to disclose to the public the contents of a contract, including maps, property description, liens on the property, geological information, expenditures, etc., without written authorization from the operator. The release of this type of information by the Government would not only violate the confidence of the operator and the long-standing rules of the Bureau of Mines and Geological Survey relating to the disclosure of information on private mineral properties, but could be used to the disadvantage of the operator and the public by competitors, stock brokers, or others. Therefore, it is respectfully suggested that Mr. Brickel direct his inquiries to Miss Peggy Keenan, President, Northwest Defense Minerals, Inc., No. 1D, 1322 Second Avenue, New York, New York.

If the desired information is not readily available to the operator, and the latter has no objection to its disclosure, we shall be pleased to supply it upon receipt of written authorization from the operator.

PRS 6666

43683

Please let us know if we can be of further assistance in this matter.

Sincerely yours,

Frank E. Johnson (for)

Acting Director

MChing/gla
1-19-59
cc to: Secretary's Reading File
MR(2)
DL
DCCO
Director's Reading File
Mr. Ching

Docket No. DMEA-654
(Tin, columbium, tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

OME Field Team, Region III (2) w/2cc incoming letter

MME Form 7
(10-58)

OFFICIAL FILE COPY

Date	Surname	Code
1/15/59	Ching	700
1/16	Kuand	700
		120
		110
		100
		220
		700

Hon. Francis Case
United States Senate
Senate Office Building
Washington 25, D. C.

Dear Senator Case:

This will reply to your letter of January 13, 1959, addressed to Mr. C. O. Mittendorf, who is no longer with this office.

The "DMEA loan" referred to by Mr. Brickel is covered by an exploration contract between the Government and Northwest Defense Minerals, Inc., Assignee. We consider that we are not at liberty to disclose to the public the contents of a contract, including maps, property description, liens on the property, geological information, expenditures, etc., without written authorization from the operator. The release of this type of information by the Government would not only violate the confidence of the operator and the long-standing rules of the Bureau of Mines and Geological Survey relating to the disclosure of information on private mineral properties, but could be used to the disadvantage of the operator and the public by competitors, stock brokers, or others. Therefore, it is respectfully suggested that Mr. Brickel direct his inquiries to Miss Peggy Keenan, President, Northwest Defense Minerals, Inc., No. 1D, 1322 Second Avenue, New York, New York.

If the desired information is not readily available to the operator, and the latter has no objection to its disclosure, we shall be pleased to supply it upon receipt of written authorization from the operator.

Please let us know if we can be of further assistance in this matter.

Sincerely yours,

Acting Director

MChing/gla
1-15-59

cc to: Secretary's Reading File
MR(2)
DL
DCCO
Director's Reading File
Mr. Ching
OME Field Team, Region III (2) w/2cc incoming letter

Docket No. DMEA-654
(Tin, columbium, tantalum, tungsten
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakpta
PRS 6666

43683

Mr. Selfridge -

Why not give information on project that has been made public and then inform about reports, maps, etc. that cannot be made available without consent of operator. Also advise of status - completed, except for operator's final report.

FEJohnson

DENNIS CHAVEZ, N. MEX., CHAIRMAN
ROBERT S. KERR, OKLA.
ALBERT GORE, TENN.
STUART SYMINGTON, MO.
STROM THURMOND, S. C.
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RICHARD L. NEUBERGER, OREG.
EDWARD MARTIN, PA.
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NORRIS COTTON, N. H.
ROMAN L. HRUSKA, NEBR.
FILO M. SEDILLO, CHIEF CLERK

United States Senate

COMMITTEE ON PUBLIC WORKS
Washington 25, D. C.
January 13, 1959

PRS
JAN 14 1959 6666
TO: MDM
REPLY TO BE PREPARED BY: MDM
FOR SIGNATURE OF: MDM
COPY OF LETTER FURNISHED
MR DL
SEND REPLY COPY TO ABOVE

Mr. C. O. Mittendorf
Administrator
Defense Minerals Exploration Administration
Department of the Interior
Washington 25, D. C.

Dear Mr. Mittendorf:

A communication has been received from Mr. Howard M. Brickel, Box 1748, Rapid City, South Dakota, which reads in part as follows:

> "Sometime ago, we entered into a contract with a group, to do some placer mining. Later we learned there is a DMEA loan on all or parts of this ground, that to date is unpaid, and we would like to know some more facts on the status of the loan, and on the property it involves.
>
> "Could you help us obtain the descriptions of the properties, and the name of the people who must have signed a 'consent to lien,' any map, or maps of the property, and the present status of the DMEA loan. When it was made, the expenditures, etc., The loan was obtained under the following name:
>
> Keenan Placers,
> Northwest Defense Minerals, Inc.
>
> "The property is situated in the Tinton Mining District, Lawrence County, South Dakot, and a part in Crook County, Wyoming. Any expense connected with obtaining this information will be taken care of by us."

Any information that might be had with respect to the above will be sincerely appreciated.

With kind regards,

Sincerely yours,

Francis Case

Francis Case, U.S.S.

OFFICIAL FILE COPY
O. M. E.
RECEIVED JAN 14 1959

DATE	INITIALS	CODE
1-14	C	220
		700
	n	

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 19 1958

DATE		
12/19	C	220
"	[illegible]	800
12/22	[illegible]	700

224 New Customhouse
Denver 2, Colorado
December 15, 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
No. 1 D
1322 Second Avenue
New York, New York

Re: Docket No. DMEA 654X
(Tin-Columbium-Tantalum, Tungsten)
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota
Contract No. Idm-E58

Dear Miss Keenan:

In response to your letter of December 9, 1958, enclosed is one photo copy of the Denver Equipment Company report which was forwarded to you by our letter of November 24, 1958. Also enclosed is a photo copy of our letter of November 24, 1958.

Very truly yours,

Original signed by
J. W. TOWNSEND
J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2))
Harshman) w/copy of
Marshall, OME/DFC) Operator's letter of
Corres.file, Reg.III) 12/9/58
Cooper
Chron

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

1222 Second Ave. New York, N.Y.

Dec 9. 1958

CONCENTRATES

BERYL, BERYLLIUM,
COLUMBIUM TANTALUM
FELDSPAR, MICA

Office of the President

OFFICIAL FILE COPY
O. M. E.
RECEIVED DEC 19 1958

DATE		

Mr. J.W. Townsend
Alternate Acting Executive Director
OMEA Field Team, Region [illegible]
Dept of Interior
234 [illegible]
Denver, Colorado.

Dear Mr. Townsend:

We delivered the Cameron Springs Test Data to Mr. R. M. [illegible] 37 Wall St., New York N.Y. who is project engineer. He studied it as part of the data for final report to [illegible] [illegible] 5 5 8 6 5 4 4.

In travelling to our headquarters here, Mr. Abrates lost the envelope containing the documents and [illegible] letter of transmittal. A reward was offered but so far the envelope (addressed to me) has not been recovered.

Therefore, Mr. Abrates and I are very much embarrassed and request [illegible] from you for duplicate copies. We are very sorry to trouble you.

Yours very truly,
Northwest Defense Minerals, Inc.
[illegible] Pres.

OFFICIAL FILE COPY
C
DEC NOV 28 1958

DATE	INITIALS	AMOUNT
11-28	C	220
12/1	[illegible]	800
12/2	[illegible]	700

OFFICE OF MINERALS EXPLORATION
[illegible] New Customhouse
Denver 2, Colorado
November 24, 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
No. 1 B
1302 Second Avenue
New York, New York

Re: Docket No. [illegible]
(Tin-Columbium-Tantalum, Tungsten)
Contract No. Idm-358
Northwest Defense Minerals, Inc.
(Rochfine Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

In compliance with instructions in your letter of November [illegible], 1958, we are today forwarding two packages of concentrate splits to Mr. W. O. Fillmore, Spearfish, S. Dak.

Also in accordance to your instructions, enclosed is a copy of the report by the Denver Equipment Company pertaining to the processing of the drill hole samples.

We are desirous of closing this account at an early date, therefore; we will appreciate your prompt attention to the matter of rendering a final accounting and a final engineering and geologic report as provided for under article 14 of Contract Idm-358. Five copies of the final report shall be furnished to the government instead of the four copies mentioned under article 14.

Before the final audit of contract expenditures can be scheduled, it is necessary that your final report and final accounting be received by this office, and in turn, before final payment can be made to you, the final audit report by the Contract Administration And Audit Division must be released to this office.

Very truly yours,

J. W. Townsend

J. W. Townsend
Executive Officer, OME
Field Team, Region III

Enc. 2
cc: W. O. Fillmore
Spearfish, S. Dak.
cc: Chm. Op. Comm. (2)) w/copies of Denver Equipment Company Report
Marshman) & Operator's letter of 11/21/58
Corres. File)
Marshall-OME/DFC)
Cooper
Chron

NORTHWEST DEFENSE MINERALS, INC.

SPEARFISH, SOUTH DAKOTA

OME
DEPARTMENT OF THE INTERIOR
24
NOV 25 1958
COLORADO

Office of the President

CONCENTRATES:

BERYL, BERYLLIUM,
COLUMBIUM - TANTALUM,
FELDSPAR, MICA,
TUNGSTEN, GOLD

November 21, 1958

Mr. J. W. Townsend
Executive Officer, OME
Field Team, Region III
Department of Interior
224 New Customhouse
Denver, Colorado

Re: Docket No. DMEA 6547
Men E58

OFFICE OF THE SECRETARY
RECEIVED
NOV 28 1958
INITIALS CODE

Dear Mr. Townsend:

Your letter of November 7, 1958 received. With reference to the forwarding to us one quarter split of the concentrates, please send them to Northwest Defense Minerals, Inc. Peggy Keenan, President, Spearfish, So. Dakota and put them in care of W. O. Fillmore, Spearfish, S. Dak.

Please send a copy of the report to me at # 1 D, 1322 Second Ave., New York, N. Y.

We cannot give you the information requested for another two weeks, or until we consummate the work here and I can return to South Dakota and get the records from storage.

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan km

Peggy Keenan, President

PK:km

DENVER EQUIPMENT COMPANY
ORE TESTING DIVISION
Denver, Colorado

OME
DEPARTMENT OF THE INTERIOR
OCT 31 1958
REGION III
DENVER, COLORADO

October 30, 1958

OFFICIAL FILE
C. M. E.
RECEIVED NOV 28 1958

United States Dept. of the Interior
Bureau of Mines
224 New Custom-House
Denver, Colorado

Attention: J. W. Townsend
Reference: Your order DER-59-61
Requisition DERA-3-50
Our order KW-51246

Gentlemen:

We are hereby submitting the following report of the concentration tests which were conducted on 36 churn drill samples and assays on 3 concentrate samples. The work to be done is detailed under your above order and requisition.

Sample Identification

We received on September 3, 1958 via Bekins Van and Transfer, 56 drums of sample with a gross weight of 9096 pounds. The samples were from the U. S. Bureau of Mines, Federal Center, Denver, Colorado. Sample receiving number 2002 was assigned this lot of samples for our identification purposes.

We received on September 8, 1958 via personel delivery by Mr. E. O. Binyon, 3 sacks of concentrates with gross weight of 3280 grams. Sample receiving number 2010 was assigned this lot of samples.

The shipment of drums consisted of 32 containers marked "Beaver Creek" and 25 marked "Bear Creek".

Object of Tests

The purpose of the testwork was to concentrate the 36 samples by gravity concentration procedures for the recovery of the heavy mineral fractions. The final concentrates produced in the tests and the three concentrate samples were to be thoroughly mixed, split and one half split again to provide the following samples.

1. 1/2 for the U. S. Government

ALL RECOMMENDATIONS AND OPINIONS EXPRESSED IN THIS REPORT ARE BASED ON METALLURGICAL RESULTS OBTAINED IN THE ORE TESTING LABORATORY OF THE DENVER EQUIPMENT COMPANY, AND APPLY ONLY TO THE TREATMENT OF MATERIAL CONFORMING TO THE SAMPLE SUBMITTED BY THE SUBJECT COMPANY

2. 1/4 for the operator
3. 1/4 for the assayer

The government samples were to be labeled with the words, "Government," "Area," "Hole Number," or "Pit Number," and "Sample Interval".

The operator's portion of the concentrates were to be labeled with the words "Operator," "Area," "Hole Number," or "Pit Number," and "Sample Interval".

All of the concentrate samples were to be analyzed for content of tin, columbium-tantalum, tungsten, and gold.

Sample Preparation

The preparation of the sample for testing consisted of recording the gross weight of each can or drum of sample, the depth of sample in the container, the container diameter and obtaining a small moisture sample by pipe sampling procedures. The container weight was recorded as soon as it was emptied during the tests. From the recorded data the net dry and wet weights, and sample volume could be calculated.

Sample Description

The samples to be concentrated are from 18 churn drill holes, drilled through placer deposits in the Beaver Creek and Bear Creek areas.

The material from the Beaver Creek area with intervals of 0-6 feet and 6-12 feet will be combined into a composite for concentration purposes. The material from 12 feet to the bottom of the hole will be concentrated as a separate sample. In the Bear Creek area sample material for separate concentration will be from 0-6 feet and 6-12 feet.

Flowsheet and Testing Procedure

The following is a brief resume of the procedure and equipment used in the testwork.

Preliminary Treatment

The preliminary treatment consisted of dumping a drum or can of sample into a suitable container and examining the material

for coarse rocks. If rock coarser than 1/2 inch was noted a preliminary screening was made for the removal of the oversize fraction. The drums or cans which contained the sample were washed clean of any sample and then weighed. The coarse rock if present was washed thoroughly before being discarded.

Pulping and Screening

A charge of approximately 150 pounds plus sufficient water to give a pulp density of 50 percent solids was charged into a 18" x 24" Denver Conditioner and agitated for 10-15 minutes. The pulp was then discharged over a 1' x 3' Denver Dillion Vibrating screen provided with a 14 mesh screen. The oversize was retained for concentration by jigging. The screen undersize was pumped by a 3/4" Denver Vertical Sand Pump to a second 18" x 24" conditioner which served as a surge tank to obtain a uniform feed for the table. The pulp from the second 18" x 24" conditioner was metered to a 3/4" Denver Vertical Sand Pump which discharged to a No. 13-B Denver Wilfley gravity concentrating table.

Gravity Concentration

The minus 14 mesh material was concentrated by a Denver Wilfley No. 13-B gravity concentrating table to yield a concentrate, middling and a tailing. The table middling plus the minus 14 mesh product from cleaning out the equipment was retabled to produce a concentrate and a tailing. This procedure insured that the maximum recovery of the heavy minerals would be obtained.

The plus 14 mesh material from each sample was concentrated by a 4" x 6" Denver Mineral Jig to yield a concentrate and a tailing.

Equipment Clean-Up

After a sample had been treated all of the machinery was thoroughly cleaned out to insure that no salting of samples would take place. The following are the precautions taken during the clean-up.

1. The conditioners were hinged at the base so that the units could be tipped for cleaning purposes.

2. The screen wire was removed from the vibrating screen and the entire unit washed down with high pressure water.

3. The 3/4 inch vertical sand pump was operated in a shallow pan to catch any spills which might occur at the pump. After each test the pump bowl was removed and thoroughly cleaned out.

4. The entire washings from the clean-up were screened at 14 mesh. The minus 14 mesh fraction was added to the table middling for retreatment. The plus 14 mesh fraction was added to the screen oversize fraction for concentration by the Denver Mineral Jig.

Concentrate Treatment

The total concentrates from each sample were weighed after drying, then reduced to 65-100 mesh by means of crushing rolls and a Denver Davis pulverizer. Fresh sand was run thru the pulverizer between samples for maximum cleaning of the equipment. The pulverized samples were mixed thoroughly by rolling and the sample cut to provide the required splits for the government, operator and assayer. The concentrates were placed in paper sacks or sample envelopes and labeled as directed.

Test Results

The results of the tests on the Beaver Creek and Bear Creek samples are given in tabulated form on pages D-1 and D-2. The tabulation shows the area, hole or pit number, sample interval, net weight of sample wet and dry before testing, sample volume, concentrate weight and assays.

The assays on the Bear Creek concentrate samples showed very small amounts of gold, tin, tungsten, columbium-and tantalum.

The Beaver Creek concentrates in some cases showed a higher gold content than the Bear Creek samples, but in general the concentrates were all fairly low-grade.

The samples of concentrates returned to the U. S. Government and Operator had the following weights. Each of the area samples were in separate boxes.

	Weight in Pounds	
	Govt.	Operator
Beaver Creek Area	33.0	16.6
Bear Creek Area	22.8	11.5

DENVER EQUIPMENT COMPANY
ORE TESTING DIVISION
Denver, Colorado

The flowsheet used in the testwork is shown in detail on print number A-7485.

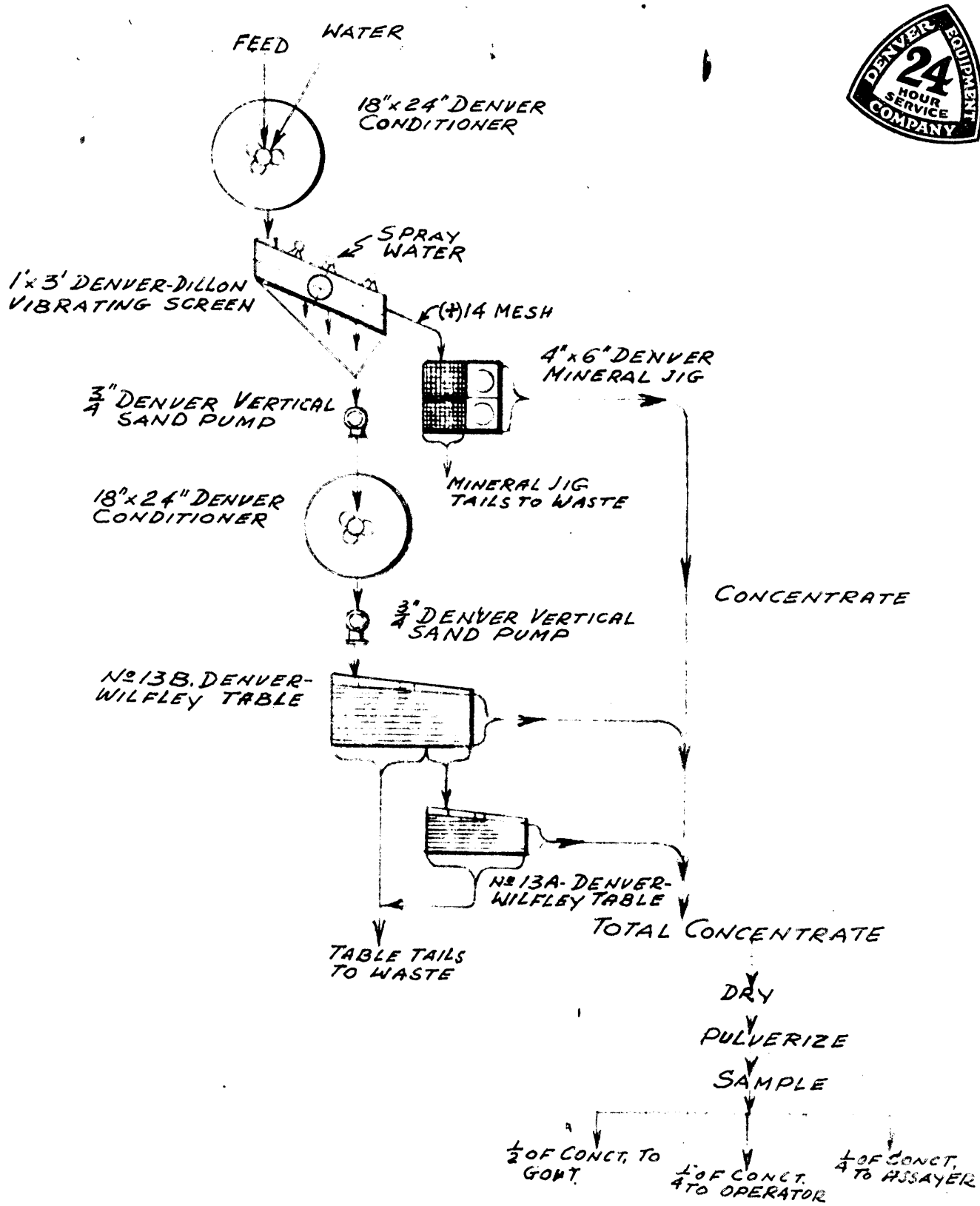
We will welcome any comments or questions in regards to the testwork.

Yours truly

DENVER EQUIPMENT COMPANY

Henry C. Hurd Jr.
Henry C. Hurd, Jr.
Test Engineer

Clarence Thom
Clarence Thom, Director
Ore Testing Division



This print loaned subject to return upon demand and under the express conditions that it is not to be used, directly or indirectly, detrimental to Denver Equipment Co.

PRINTED OCT 30 1959

ORDER NO. ORE TEST KW-51246

DENVER EQUIPMENT CO.
1400 - Seventeenth St. - Denver, Colo.

BUREAU OF MINES
FLOWSHEET

SCALE

DRAWN BY A.E.H. 10-22-58
CHECKED BY

A-7485

OFFICIAL FILE COPY
C. M. E.
RECEIVED NOV 28 1958

DATE	INITIALS	CODE

-BEAVER CREEK AREA-

Reference: Order No. KW-51246

Hole No.	Interval Feet	Net Weight-Lbs. Wet	Net Weight-Lbs. Dry	Sample Volume Cubic Feet	Concentrate Wgt. Pounds	Concentrate Assays Oz/T Au	%Nb-Ta	%WO3	%Sn
1	0-12	215	105	1.72	2.13	Tr	0.05	0.28	0.10
1	12-18	212	195	1.62	2.54	Tr	0.03	0.01	0.10
2	0-12	163	151	1.33	2.60	0.20	0.04	0.02	0.20
2	12-19	1069	971	7.84	4.87	0.16	0.02	0.Tr	1.[illegible]
3	0-12	251	230	1.86	5.17	0.22	0.03	Tr	0.05
3	12-18	230	215	1.72	2.96	0.02	0.05	0.07	0.20
4	0-12	293	271	2.20	3.62	0.02	0.05	0.03	0.30
4	12-19	378	345	2.68	6.45	Tr	0.03	0.01	0.05
5	0-12	316	288	2.26	4.42	0.13	0.60	0.04	0.30
5	12-16	213	191	1.82	2.11	0.02	0.40	0.03	0.60
6	0-12	604	570	4.91	2.20	0.07	0.30	0.01	0.10
6	12-16	207	185	1.50	2.39	Tr	0.05	0.02	0.05
7	0-12	417	368	3.78	2.23	0.15	0.10	Tr	0.10
7	12-18	157	140	1.26	1.81	0.03	0.10	Tr	0.60
8	0-12	314	280	2.32	2.83	Tr	0.20	Tr	0.[illegible]
8	12-17	363	308	2.83	3.80	Tr	0.05	0.01	0.03
9	0-12	187	177	1.69	2.47	0.01	0.10	0.01	0.05
9	12-17	179	160	1.50	1.96	0.01	0.02	Tr	0.05
Pit #1	0-16-1/4			12.975 Cubic Yards	5.79	0.03	2.40	0.35	2.60

Tr = (Trace)

-BEAR CREEK AREA-

Reference: Order No. KW-51246

Hole No.	Interval Feet	Net Weight-Lbs. Wet	Dry	Sample Volume Cubic Feet	Concentrate Wgt. Pounds	Concentrate Assays Oz/T Au	%Nb-Ta	%WO3	%Sn
1	0-6	139	121	1.07	3.2	Tr.	0.05	0.01	0.10
1	6-12	499	415	4.25	4.0	0.01	0.10	0.01	0.10
2	0-6	248	233	1.93	2.02	0.07	0.10	0.02	0.10
2	6-12	351	332	3.71	2.94	0.40	0.20	0.05	0.20
3	0-6	157	134	1.14	1.54	Tr.	0.05	Tr	0.10
3	6-12	150	128	1.04	1.22	0.02	0.05	Tr	0.05
4	0-6	110	95	0.86	1.87	0.01	0.05	0.02	0.[illegible]
4	6-12	100	89	0.87	2.49	0.03	0.05	Tr	0.10
5	0-6	44	36	0.38	1.14	0.01	0.03	0.01	0.20
5	6-12	151	130	1.16	1.52	Tr	0.05	Tr	0.05
6	0-6	108	103	1.02	1.22	Tr	0.03	Tr	0.10
6	6-12	125	119	1.12	1.27	Tr	0.04	0.01	0.20
7	0-6	289	264	2.31	1.85	Tr	0.05	0.01	0.10
7	6-12	182	148	1.35	1.00	Tr	0.10	0.01	0.10
8	0-6	161	140	2.40	3.45	Tr	0.10	0.02	0.20
8	6-12	188	165	1.60	2.23	Tr	0.05	0.01	0.20
9	0-6	281	241	1.40	2.41	Tr	0.10	Tr	0.20
9	6-12	184	162	2.00	2.54	Tr	0.10	0.01	0.[illegible]
Pit #1	0-6-1/4			3.39 Cubic Yards	1.75	0.02	0.80	0.26	1.70
Pit #2	0-7			4.309 Cubic Yards	3.19	0.02	0.30	0.12	0.80

Tr = (Trace)

PACKING LIST

DENVER EQUIPMENT CO.
1400 - Seventeenth St - Denver, Colo.

DENVER EQUIPMENT COMPANY 24 HOUR SERVICE

Customer Order No. DER-59-61

Our Order No. KN5I246

Packed at Denver, Colorado Springs, Colorado, U.S.A.
Oct. 21 1958

Consigned to Bureau of Mines
224 New Customhouse
Denver Colorado

Packages Marked

Attn: J.W. Townsend
Docket No. DMEA-654
Contract IDM-E 58

EXTRA COPY
O. M. E.
RECEIVED NOV 28 1958

DATE	INITIALS	CODE

Routed

Car No.

Page No. of Pages

NUMBER OF PACKAGE	KIND OF PACKAGE	DESCRIPTION OR CONTENTS	WEIGHT IN POUNDS UNLESS MARKED ~~KG FOR KILOGRAMS~~ GROSS	TARE	NET OR LEGAL	DIMENSIONS ~~IN INCHES~~
		One carton containing concentrates obtained in the treatment of the Beaver Creek area samples. The contained samples are as follows:				
		Hole No. / Interval Feet / Total Concentrate Wgt. Pounds.				
		I 0-12 2.13				
		I 12-18 2.54				
		2 0-12 3.60				
		2 12-19 4.57				
		3 0-12 5.17				
		3 12-18 2.96				
		4 0-12 3.62				
		4 12-19 6.43				
		5 0-12 4.42				
		5 12-16 2.11				
		6 0-12 2.20				
		6 12 16 2.39				
		7 0-12 2.23				
		7 12-18 1.81				
		8 0-12 2.85				
		8 12-17 3.80				
		9 0-12 2.47				
		9 12-17 1.96	Gross Wgt	±3.0#		
		BACK ORDERED: Pit No1 0-16-1/4 5.79				

The Bureau Of Mines samples Represent one half of the total weight shown.

Your order has been carefully checked and packed by us, and we hope entirely satisfactory to you.
Your suggestions will be appreciated.

Checked by

Packed by:

DENVER EQUIPMENT CO.

Packing List No.

FORM 48-5 M PRINTED IN U.S.A.

PACKING LIST

DENVER EQUIPMENT CO.
1400 - Seventeenth St - Denver, Colo.

Customer Order No. DER-59-61

Our Order No. KW 51246

Packed at Denver, Colorado Springs, Colorado, U.S.A.
Oct. 21 19 58

Consigned to Bureau of Mines
224 New Customhouse
Denver Colorado

Packages Marked

Attn: J.W. Townsend
Docket No. DMEA-654
Contract IDM-E 58

Routed

Car No. Page No. of Pages

NUMBER OF PACKAGE	KIND OF PACKAGE	DESCRIPTION OR CONTENTS	WEIGHT IN POUNDS UNLESS MARKED KG FOR KILOGRAMS: GROSS	TARE	NET OR LEGAL	DIMENSIONS IN INCHES
		One carton containing concentrates obtained in the treatment of the Bear Creek area samples. The contained samples are as follows				
		Hole No. / Interval Feet / Total Conct. wgt. Pounds.				
		1 0-6 3.2				
		1 6-12 4.0				
		2 0-6 2.02				
		2 6-12 2.94				
		3 0-6 1.54				
		3 6-12 1.22				
		4 0-6 1.87				
		4 6-12 2.49				
		5 0-6 1.14				
		5 6-12 1.52				
		6 0-6 1.22				
		6 6-12 1.27				
		7 0-6 1.85				
		7 6-12 1.00				
		8 0-6 3.45				
		8 6-12 2.23				
		9 0-6 2.41				
		9 6-12 2.54				
		Pit No. 1 0-6-1/4 1.75	Gross	wgt	22.8#	
		Pit No. 2 0-7 3.19				

The Bureau of Mines samples represent one-half of the total weight shown.

BACK ORDERED:

Your order has been carefully checked and packed by us, and we hope entirely satisfactory to you.
Your suggestions will be appreciated.

Checked by

Packed by:

DENVER EQUIPMENT CO.

Packing List No.

FORM 48-5 M PRINTED IN U.S.A.

PACKING LIST

DENVER EQUIPMENT CO.
1400 - Seventeenth St - Denver, Colo.

Customer Order No. DER 59-61

Our Order No. KM51243

OFFICIAL FILE COPY
U.S.B.M. E.
RECEIVED NOV 28 1958

DATE	INITIALS	CODE

Packed at Denver, Colorado Springs, Colorado, U.S.A.
Oct 21 19 58

Consigned to Bureau of Mines
224 New Customhouse
Denver Colorado

Packages Marked

Attn: J.W. Townsend
Docket No. DMEA-654
Contract IDM-E-58

Routed

Car No.

Page No. of Pages

NUMBER OF PACKAGE	KIND OF PACKAGE	DESCRIPTION OR CONTENTS	WEIGHT IN POUNDS UNLESS MARKED KG. FOR KILOGRAMS GROSS	TARE	NET OR LEGAL	DIMENSIONS IN INCHES
		One carton containing concentrates obtained in the treatment of the Beaver Creek area samples. The contained samples are as follows.				
		Hole No. / Interval Feet / Total Concentrate Wgt. Pounds				
		1 0-12 2.13				
		1 12-18 2.54				
		2 0-12 2.60				
		2 12-19 4.87				
		3 0-12 5.17				
		3 12-18 2.96				
		4 0-12 3.62				
		4 12-19 6.45				
		5 0-12 4.43				
		5 12-16 2.11				
		6 0-12 2.20				
		6 12-16 2.39				
		7 0-12 2.23				
		7 12-18 1.81				
		8 0-12 2.83				
		8 12-17 3.80				
		9 0-12 2.47				
		9 12-17 1.96				
		PitNo.1 0-16-1/4 5.79				

The operators samples represent one-fourth of the total weight shown

Gross wgt. 16.6 #

BACK ORDERED:

Your order has been carefully checked and packed by us, and we hope entirely satisfactory to you.
Your suggestions will be appreciated.

DENVER EQUIPMENT CO.

Checked by

Packed by:

Packing List No.

FORM 48-5 M PRINTED IN U.S.A.

PACKING LIST

DENVER EQUIPMENT CO.
1400 - Seventeenth St - Denver, Colo.

DENVER EQUIPMENT 24 HOUR SERVICE COMPANY

Customer Order No. DER-59-61

Our Order No. KW 51246

Packed at Denver, Colorado Springs, Colorado, U.S.A.
Oct. 21 19 58

Consigned to Bureau of Mines
224 New Customhouse
Denver Colorado

Packages Marked

Attn: J.W.Townsend
Docket No. DMEA-654
Contract No. IDM-E-58

EXTRA COPY
O. M. E.
RECEIVED NOV 28 1958

INITIALS	CODE

Routed

Car No.

Page No. of Pages

NUMBER OF PACKAGE	KIND OF PACKAGE	DESCRIPTION OR CONTENTS	WEIGHT IN POUNDS UNLESS MARKED KG FOR KILOGRAMS GROSS	TARE	NET OR LEGAL	DIMENSIONS IN INCHES
		One carton containing concentrates obtained in the treatment of the Bear Creek samples. The contained samples are as follows.				

Hole No.	Interval Feet	Total Concr. wgt. Pounds
1	0-6	3.2
1	6-12	4.0
2	0-6	2.02
2	6-12	2.94
3	0-6	1.54
3	6-12	1.22
4	0-6	1.87
4	6-12	2.49
5	0-6	1.14
5	6-12	1.52
6	0-6	1.22
6	6-12	1.27
7	0-6	1.35
7	6-12	1.00
8	0-6	3.45
8	6-12	2.23
9	0-6	2.41
9	6-12	2.54
Pit No.1	0-6-1/4	1.75
Pit No 2	0-7	3.19

The Operators samples represent one-fourth of the total weight shown.

Gross Wgt = 11.5 +

BACK ORDERED:

Your order has been carefully checked and packed by us, and we hope entirely satisfactory to you.
Your suggestions will be appreciated.

Checked by HCH

Packed by: HCH

FORM 48-5 M PRINTED IN U.S.A.

DENVER EQUIPMENT CO.

Packing List No.

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 13 1958

DATE	INITIALS	CODE
11/13	C	220
11/13	[illegible]	800
"	[illegible]	700

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 7, 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract I[illegible]-[illegible]58
Northwest Defense Minerals, Inc.
Rawlins Mining District
Lawrence County, South Dakota

Dear Miss Keenan:

The project churn drill samples have been processed and analyzed, and the three remaining test pit concentrates have been analyzed by the Denver Equipment Company, at a net cost of $5298.48.

The Operator's pro rata share of this cost is reimbursable to the Government, by Northwest Defense Minerals, Inc., and will be deducted from money withheld from Northwest Defense Minerals, Inc., when final settlement is made, provided sufficient funds remain in suspense to cover the Operator's portion of the cost.

Very truly yours,

Original sig
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Marshman
Marshall, OME/DFC
Cooper
Corresp. file, Reg.III
Chron

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 10 1958

DATE		
11-10	C	220
11/10	4107	800
11/13	[illegible]	700

xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx

OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado

November 7, 1958

AIR MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA 654X
(Tin-Columbium-Tantalum, Tungsten)
Contract No. Idm-858
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

The processing of the churn drill hole sample material has been completed by the Denver Equipment Company, and a report of the processing procedures giving results of analyses of the concentrates has been submitted.

So that we can forward you a one quarter split of the concentrates, and a copy of the report, please advise by return mail to whom and where they should be sent.

In conjunction with scheduling a final audit of contract expenditures, please advise the location of the accounting records maintained in conjunction with the previous work.

The audit of contract expenditures cannot be scheduled for performance until your final Engineering and Geologic Report, and final accounting have been received, and in turn, final payment to you cannot be made until the Report of Audit has been released to this office; therefore, prompt attention should be given the forwarding of your final Accounting Report, and the final Engineering and Geologic Report provided for under item 5 of the Termination Agreement, and under Article 14 of the contract form. Five copies of the final Engineering and Geologic Report are now required instead of the four copies stipulated under Article 14.

The Operator's portion of the costs of processing of the sample material and anlayses of concentrates, including incidental transportation costs, will be deducted from funds withheld from reimbursement to you in processing previous accounting reports to the extent that such funds withheld cover the costs involved.

In addition to advice as to the forwarding of the concentrate splits, and report of processing, and advice as to the location of your accounting records, please also advise the date on or before which you contemplate that the final accounting, and final Engineering and Geologic Report will be forwarded.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Executive Officer, OME
Field Team, Region III

JWT:ltm

cc: Chma. Op. Comm. (2)
Harshman
Marshall, OME/DFC
Corres. File
Cooper
Chron.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
11/6	Knouse	700
11-6 11/6	Champion	~~800~~ 130
11/6	J Summers	110
		~~100~~
11/7	C	220
		700

NOV 7 1958

Department of the Interior

OME

1490108, Salaries and Expenses, Office of Minerals Exploration, Interior, 1959

T E L E T Y P E

J. W. TOWNSEND, EXECUTIVE OFFICER
OME FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER, COLORADO

REURMEMO NOVEMBER 3, DMEA-654, NORTHWEST DEFENSE MINERALS, INC., YOU ARE AUTHORIZED TO FORWARD SAMPLE SPLITS AND REPORT TO OPERATOR.

George C. Selfridge
(Sgd)

ACTING CHAIRMAN, OPERATING COMMITTEE

FLKnouse/gla
11-6-58
cc to: Director's Reading File
Operating Committee
THKiilsgaard, 5224
FLKnouse
Confirmation to Region III

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
~~DEFENSE MINERALS EXPLORATION ADMINISTRATION~~
OFFICE OF MINERALS EXPLORATION
224 New Customhouse
Denver 2, Colorado
November 3, 1958

OFFICIAL FILE COPY
O. M. E.
RECEIVED NOV 6 1958
11/6 C 220
Kuonse 700

AIR MAIL

Memorandum

TO: Chairman, Operating Committee, OME

From: Executive Officer, OME Field Team, Region III

Subject: Docket No. DMEA 654X (Tin Columbium Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

The Denver Equipment Company has completed the processing of the drill hole and test pit material from the subject project, and has rendered a report thereof as specified in their accepted bid.

The Operator cannot render its final report until the results of the processing and analyses of concentrates are made known to it; however, before forwarding a split of the concentrates, and a copy of the Denver Equipment Company Report to the Operator, clearance from your office is requested.

The status of funds withheld from reimbursement to the Operator is as follows:

Total amount withheld from reimbursement to the Operator todate. .$ 885.70

Processing Expenses Incurred

Cost of transporting samples from project site to Denver	$ 537.24	
Cost of transporting samples to Denver Equipment Company	42.50	
Cost of processing and analysis of samples	5352.00	
TOTAL	$5931.74	
Portion chargeable to Operator at 10 per cent		593.17
Excess withheld above incurred expenses.		$292.53

The $292.53 balance withheld, constitutes the only leverage we hold against the Operator to assure it rendering the required final report; however, if the Operator renders a final report, there will

undoubtedly be an additional charge to the project for costs incurred in preparing the report as provided for in the contract which will increase the amount of the final payment to the Operator.

When you have reviewed the matter, please teletype clearance for us to forward a split of the concentrates and a copy of the report to the Operator.

J. W. Townsend

OFFICIAL FILE COPY
O. M. E.
RECEIVED OCT 6 1958

DATE	INITIALS	CODE
10-6	C	220
10/8	GEO	800
10/8	Lawrence	700

[illegible] New Customhouse
Denver 2, Colorado
October 2, 1958

Miss Peggy Kennan, President
Northwest Defense Minerals, Inc.
Balmoral Plaza, Room 1811
Lexington Ave., at 49th St.,
New York 22, New York

Re: Docket No. [illegible] 65-X
(Tin-Columbium-Tantalum,
Tungsten)
Contract [illegible]-358
Northwest Defense Minerals, Inc.
(Rochford Mining District)
Lawrence County, South Dakota

Dear Miss Kennan:

The churn drill samples have been transported from the Denver Federal Center, Denver, Colorado, to the laboratories of the Denver Equipment Company, at a cost of $42.50.

The Operator's pro rata share of this cost is reimbursable to the Government, by Northwest Defense Minerals, Inc., and will be deducted from moneys withheld from Northwest Defense Minerals Inc., when final settlement is made, provided sufficient funds remain in suspense to cover the Operator's portion of the cost.

Very truly yours,

Original signed by
E. N. HARSHMAN

E. N. Harshman
Acting Executive Officer
OME Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Binyon, OME/DFC
Cooper
Corres. file, Reg. III
Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
9/2/58	Knouse	700
"	Johnson	110
"	Bertenday	100
9/3	C	220
		700

SEP 3 1958

Miss Peggy Keenan
President, Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

Please disregard my letter of August 26, 1958, requesting that you return the Operator's copy of the Termination Agreement sent you by our Denver office on July 21, 1958. We have learned that this copy was retained by the Regional Office and it has been returned to us.

Sincerely yours,

C. D. McKinney (for)

Administrator

FLKnouse/gla
9-2-58
cc to: Admr.'s Reading File
Mr. Knouse
DMEA Field Team, Region III (2)

8623

	INITIALS	CODE
9/5	C	220
9/8	~~[illegible]~~	~~700~~

25A New Customhouse
Denver 2, Colorado
Sept. 2, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten) Contract Ldm-458, Northwest Defense Minerals, Inc., (Rawlins Mining District), Lawrence County, South Dakota

Enclosed is a copy of a letter dated June 9, 1958, from the subject Operator, which contains a change of address as follows:

Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Please send all checks and related correspondence to the above address until further notice from the Operator.

Original signed by
J. W. TOWNSEND

J. W. Townsend

JWT:bmh
Enclosure
cc: Chem. Op. Comm. (2) } w/copy of
Harshman } Operator's letter
Binyon, DMEA/DFC } of 6/9/58
Corres. File, Reg. III }
Cooper
Ghron

Copy to file

Belmont Plaza

LEXINGTON AVENUE AT 49TH STREET NEW YORK 22, N. Y. PLAZA 5-1200

June 7, 1958

Administrator,
GMSA
Department of Interior
New Custom House
Denver, Colorado.

Re: Refer to
MeDMSA 4,
Mr Klm - ES's

Dear Sir:

With reference to letter from Mrs. C.C. Mittinday, Administrator GMSA Washington, D.C. dated May 13, 1958,

Mrs Mittinday advised that a transportation company handling the matter of moving the churn drill samples from Northwest Defense Minerals Inc had been delayed because of road conditions. Please be advised that reports from the area indicate road conditions favorable to this type transportation.

Could we therefore proceed as soon as possible and arrange reimbursement for 1957 expenditures.

The above address is our headquarters until further notice.

Yours very truly,
Northwest Defense Minerals Inc
Peggy Keenan Pres

NEW YORK — BELMONT PLAZA · ATLANTIC CITY — THE TRAYMORE AND THE RESIDENT WEST END, N. J. — SAND & SURF
BAL HARBOUR, MIAMI BEACH, FLA. — AMERICANA — OPENING DECEMBER, 1956

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
August 29, 1958

9-2	C	220
9/2	Kaoma	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium, Tantalum, Tungsten) Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District) Lawrence County, South Dakota

In compliance with the last paragraph of your letter to this office dated August 26, 1958, enclosed are the "Operator's Copy" and two extra copies of the proposed TERMINATION AGREEMENT dated April 2, 1958, which were forwarded with your letter of April 3, 1958.

We note that you have written to Miss Keenan requesting return of the "Operator's Copy" of the Termination Agreement; however, as indicated in our letter of July 21, 1958, to Miss Keenan, the "Operator's Copy" was retained by this office.

J. W. Townsend

All copies of Termination Agreement, dated July 2, 1958, have been destroyed except original which is filed with Termination Agreement dated August 15, 1958.

9/2	C	220
9/3		800
9/3	transfer	700

[illegible] New Construction
Denver 2, Colorado
August 29, 1958

Memorandum

To: T. A. Christensen

From: Alternate Acting Executive Officer, DMEA Field Team, Region XII

Subject: Docket No. DMEA 65XX (Tin, Columbium, Tantalum, Tungsten) Contract No. 2Sm-EP8, Northwest Defense Minerals, Inc. (Keystone Mining District) Lawrence County, South Dakota

Enclosed is the Finance Office Copy of a TERMINATION AGREEMENT dated August 15, 1958, which has been executed to terminate the subject contract, effective November 1, 1958, except as otherwise provided in the agreement.

Original signed by
J. W. TOWNSEND
J. W. Townsend

JWT:dz

cc: Gen. Op. Coun. (2)
Harrington
Bingen, DMEA/WPC
Gerres, File, Reg. XII
Cooper
Gaynor.

} w/cy of Termination Agreement

cy to 800

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
August 28, 1958

SEP 2, 1958

9-2 C 220
9/2 Reserve 700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

In compliance with advice in our teletype to you of this same date, there follow details of bids received for the processing of the churn drill hole sample material, analysis of the concentrates, and analysis of the concentrates from the test pits.

Item No.	Humphreys Engineering Company	Colorado School of Mines Research Foundation, Inc.	Denver Equipment Company
1	$ 6,490.00	$ 10,000.00	$ 4,215.00
2	874.00	4,600.00	1,051.00
3	104.50	400.00	86.00
Totals	$ 7,468.50	$ 15,000.00	$ 5,352.00

The award is being made today to the Denver Equipment Company for the processing of the material and a purchase order issued for the transportation of the material from the Denver Federal Center to their laboratory, the estimated cost of which is $60.00.

J. W. Townsend

Mr. Geo. Selfridge

OFFICIAL FILE COPY
DMEA
RECEIVED 69 358

2/69	J	220
		800
8/25/70		700

Glenn Cobb.

BUREAU OF MINES
MAIL ROOM
WASHINGTON, D.C.
AUG 28 1 41 PM '58

DN 235 BUR MINES 8-28-5 I 8-28-58 8-50

CHAIRMAN, OPERATING COMMITTEE, DMEA

RE DOCKET DMEA 654, CONTRACT IDM-E58, NORTHWEST DEFENSE MINERALS, INC. INVITATION TO BID ON PROCESSING OF MATERIAL AS FOLLOWS-- HUMPHREYS ENGINEERING CO. $7,468.50, COLORADO SCHOOL OF MINES $15,000.00, DENVER EQUIPMENT CO. $5,352.00. AWARD BEING MADE TO LATTER. LETTER FOLLOWS GIVING BREAKDOWN OF BIDS.

J W TOZNSEND

XXXXXX J W TOWNSEND

9-2 C 220
9/3 800
9/3 700

224 New Customhouse
Denver 2, Colorado
August 27, 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract Ida-858
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Form MF-104, Operator's Monthly Report and Voucher, for the period from October 4, through November 3, 1957, is being processed. No reimbursement is made at this time for the following reasons:

Disallowance, Labor

The labor reported for the period was expended in processing material from the project test pits. All acceptable test pit work to date has been reported previously at the maximum allowable cost of $25.00 per foot, which includes all allowable costs for processing the test pit material. Therefore, the reported cost for labor is disallowed.

Amount Withheld

Reimbursement to Northwest Defense Minerals, Inc., for the Government's share of the acceptable costs for the period is withheld pending resolution of the following matters:

1. Execution by the parties to the contract of a suitable agreement to extend the contract completion date to cover the work performed during the period, and to terminate the contract, without requiring performance of the balance of work provided for.

2. Transporting, processing and analyzing the churn drill samples and analyzing the balance of the test pit samples. This work is to be performed under the direction of the Government, and the Government reimbursed by Northwest Defense Minerals Inc., for the Operator's pro rata share of the cost of the work.

3. Rendering to the Government by Northwest Defense Minerals, Inc., of a final stockpiling and final engineering and geologic report as required under Article 14 of the contract form.

4. Release to this office of an Audit Certificate and Audit Report, or Report of Review of the reported project costs by the Contract Administration and Audit Division, DMEA.

The churn drill samples have been transported from the project site to the Defense Minerals Exploration Administration, Denver Federal Center, Denver, Colorado, by Buckingham Transportation, Inc., at a cost of $537.24.

The Operator's pro rata share of this cost, as well as other costs indicated under item 2, above, is reimbursable to the Government by Northwest Defense Minerals, Inc., and will be deducted from moneys withheld from reimbursement to Northwest Defense Minerals, Inc., when final settlement is made, provided sufficient funds remain in suspense to cover the Operator's portion of the costs.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JDC:hmh

cc: Chmn. Op. Comm. (2)
Harshman
Binyon, DMEA/DFC
Corres.file, Reg. III
Cooper
Chron

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/25/58	Knouse	700
8-25	Chamberlin	800
8/26	Selfridge	130
8/26	Voyles	130
8/26	Dickson	132
"	Jensen	110
"	Montanty	100
8/27	C. O.	220
		700

AUG 26 1958

Miss Peggy Keenan
President, Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

In our letter of August 15, 1958, we requested that "the original and all copies of the Termination Agreement sent to you (by our Denver, Colorado, office) July 21, 1958, are to be returned to this office." We note that the "Operator's copy" of this agreement was not returned. Please also forward this copy by return mail.

Sincerely yours,

C. O. Mittelsdorf (for)

Administrator

FLKnouse/gla
8-25-58
cc to: Admr.'s Reading File
Operating Committee
FLKnouse
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/25/58	Knouse	700
8-25	Chamber	800
8/26	GCS	130
8/26	Neuman	110
"	Hitterdog	100
8/27	C O	220
		700

AUG 26 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Townsend:

Enclosed are the "Field Team's copy" and "Finance Office's copy," with one extra copy, of the executed Termination Agreement, dated August 15, 1958, for the subject project.

This agreement was prepared and executed in accordance with your telephone discussions of August 6, 7, and 8 with Mr. Knouse.

The extra copies of the Termination Agreement forwarded with our letter of April 3, 1958, and retained by your office, should be returned.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee (24B)

Enclosures

FLKnouse/gla
8-25-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FLKnouse

APPROVED:

P. F. Yopes (24B)
Member, Bureau of Mines

N. E. Nelson (24B)
Member, Geological Survey

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
August 20, 1958

8/26 C 220
" ~~[illegible]~~ 900

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

Enclosed for your information are three copies of the Operator's letter of August 16, 1958, in reply to my letters of August 4, 6, and 7.

J. W. Townsend

J. W. Townsend

Enclosures

This come directly from Miss Keenan

OFFICIAL FILE COPY
DMEA
RECEIVED 25 1958

DATE		CODE
8/26	C	220
1	Keenan	700

August 16, 1958

Belmont Plaza Hotel
New York, N. York

Re: Docket DMEA 654, No. ~~Jan-E58~~

Mr. J. W. Townsend, Alternate Acting Executive Officer
D.M.E.A. Field Team, Region III, Department of Interior
224 New Customhouse,
Denver, Colorado

Dear Mr. Townsend:

Your letters of Aug. 4, 6, and 7 received, together with inventory of churn drill hole samples. With reference to AUg. 4 and the Termination Agreement:

1. Since my letter of July 24, it is indicated by our attorneys here that I may be detained here into October. This would influence the extension of the Termination Agreement date.

2. In Item 1 of your Aug. 4 letter, the fourth paragraph of your Aug. 6 letter indicates your analysis of your half of the test pit samples (Beaver) will be analyzed, the cost of 10% to be born by the operator. Since you are holding $100. in 1956 and $700. or $800. in 1957-58, any cost is covered and we agree. This eliminates Item 1 of the Aug. 4 letter?

3. Referring to item 2, Aug. 4, it is agreed.

4. Referring to items 3 and 4, documents relating to the project prior to March 1958, and records for audit are either in Rapid City or Spearfish, S. Dak. and I am the only person having access to them. We are doing our best to arrange for my return by October.

Referring to your letter of Aug. 6, the holes in the Bear Creek Area were drilled several feet into bedrock?? because in the particular area chosen by Mr. Atwater and Mr. Binyon, there is a decomposed bedrock? (which may be a false bedrock). After several examinations and much geological conjecture it appeared to be a landslide in an early period. Thus the drillers went too far. It is a good idea to process samples to 12 feet only. In studying your suggestions and the problem, remember that the Caisson test pit was only 7 feet deep. This slide rock was in the bottom of the pit and indicates deeper areas may turn out to be worthless rock.

The only way to check actual bedrock conditions in this peculiar work area would be to open the gravel by a caterpillar cut to actual bedrock as in the 1951 testing. Could you hold the remaining portion from the drill hole samples until we know some of the answers from beneficiation of the material and analysis? We can tell better then whether it would be worth transportation charges to return material to the property.

Referring to your letter of Aug. 7, we have no idea what happened to the "missing" cantainers. Perhaps the snows came and the truck did not return because of conditions. It was 20° below zero.

Please accept my sincere thanks for your patience and consideration.

Yours very truly,
NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan

Peggy Keenan, President

PK:km

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
August 19, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 21 1958

DATE	INITIALS	CODE
8/21	J. J.	226
8/25	[illegible]	200

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

In conjunction with advice to you in the last paragraph of our memorandum of August 15, 1958, transmitting copies of the Invitation to Bid, enclosed are three copies of Addenda No. 1 to Invitation to Bid DER-59-5.

J. W. Townsend

J. W. Townsend

Enclosures

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DMEA
RECEIVED AUG 21 1958
DATE | INITIALS | CODE

ADDENDA NO. 1 TO

INVITATION TO BID DER-59-5

ON PAGE 2 OF THE SPECIFICATIONS READING AS FOLLOWS:

Area	Pit Number	Sample Interval	Cubic Yards
Beaver Creek	1	0 - 16-1/4 Ft.	12.975
Bear Creek	1	0 - 6-1/4 Ft.	3.390
*Bear Creek	1	0 - 7 Ft.	4.309.

*Line number 3, Bear Creek, pit number 1, should read pit number 2. Sample interval and cubic yard figures remain the same. Please correct your copy of the Invitation to Bid in accordance with this addenda.

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
August 15, 1958

COPY - FILE COPY
DMEA
RECEIVED 1958
DATE
8-18 J.G. 225
8-18 700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium, Tantalum, Tungsten) Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District) Lawrence County, South Dakota

Enclosed are three copies of Invitation to Bid which has been circulated in an effort to obtain bids on the processing of the material from the churn drill holes and analysis of concentrates from test pits under the subject contract.

There is an error in the Invitation to Bid in the top of Page 2 of the "Specifications". The pit in the Bear Creek Area to the depth of 0-7 feet should be listed as pit No. 2. The error will be corrected by circulating a rider to the Invitation to Bid.

J. W. Townsend

J. W. Townsend

See memo 8/19/58 with Addenda No. 1

Standard Form 33 (Oct. 1957 Edition)
Prescribed by General Services Administration
Regulation 1-II-209.00

INVITATION, BID, AND AWARD
(SUPPLY CONTRACT)

CONTRACT NO.

ORDER NO. (*If any*)

PAGE NO. 1 NUMBER OF PAGES 4

RECEIVED AUG 18 1958 D.M.E.A.

ISSUED BY: Department of the Interior
Bureau of Mines, Region III

ADDRESS: 224 New Customhouse
Denver, Colorado

INVITATION FOR BIDS

DATE ISSUED: August 15, 1958 | INVITATION NO. DER-59-5

Sealed bids in quintuplicate, subject to (1) the Terms and Conditions of the Invitation for Bids, (2) the accompanying Schedule, (3) General Provisions (Standard Form 32, October 1957 edition), which are incorporated herein by reference, and (4) such other contract provisions and specifications as are attached or incorporated by reference in the Schedule, will be received at the above office until 2:00 o'clock p.m., MST Time, August 27, 1958 (*date*) and at that time publicly opened, for furnishing the supplies or services described in the accompanying Schedule, for delivery f. o. b. DMEA, Executive Officer, 224 New Customhouse, Denver 2, Colorado

General information and instructions to bidders are contained in the terms and conditions on the reverse hereof.

SCHEDULE

ITEM NO.	SUPPLIES OR SERVICES	QUANTITY (*No. of units*)	UNIT	UNIT PRICE	AMOUNT
1	Concentration of 36 samples				
2	Analysis of 36 concentrate samples				
3	Analysis of 3 concentrate samples				
	For details see "Continuation Sheet" and "Specifications" attached. Attached special terms and conditions of the invitation for bids are hereby made part of the contract.				

BID

DATE OF BID

In compliance with the above, the undersigned offers and agrees, if this Bid be accepted within _____ calendar days (*60 calendar days unless a different period be inserted by the bidder*) from the date of opening, to furnish any or all of the items upon which prices are quoted, at the price set opposite each item, delivered at the designated point(s) within the time specified in the Schedule. Discounts will be allowed for prompt payment as follows:

_____ percent, 10 calendar days; _____ percent, 20 calendar days; _____ percent, 30 calendar days.

BIDDER REPRESENTS: (*Check appropriate boxes*)

(1) That he ☐ is, ☐ is not, a small business concern. (*See definition on reverse hereof.*) If bidder is a small business concern and is not the manufacturer of the supplies bid upon, he also represents that all supplies to be furnished hereunder ☐ will, ☐ will not, be manufactured or produced by a small business concern in the United States, its Territories, its possessions, or the Commonwealth of Puerto Rico.

(2) That he is a ☐ regular dealer in, ☐ manufacturer of, the supplies bid upon.

(3) (*a*) That he ☐ has, ☐ has not, employed or retained any company or person (other than a full-time bona fide employee working solely for the bidder) to solicit or secure this contract, and (b) that he ☐ has, ☐ has not, paid or agreed to pay any company or person (other than a full-time bona fide employee working solely for the bidder) any fee, commission, percentage or brokerage fee, contingent upon or resulting from the award of this contract; and agrees to furnish information relating to (*a*) and (*b*) above as requested by the Contracting Officer.
(*For interpretation of the representation, including the term "bona fide employee," see Code of Federal Regulations, Title 44, Part 150.*)

(4) He operates as an ☐ individual, ☐ partnership, ☐ corporation, incorporated in the State of _____

NAME AND ADDRESS OF BIDDER (*Street, city, zone, and State. Type or print*)

SIGNATURE OF PERSON AUTHORIZED TO SIGN BID

TYPE OR PRINT SIGNER'S NAME AND TITLE

AWARD

DATE OF AWARD

ACCEPTED AS TO ITEMS NUMBERED

AMOUNT $

UNITED STATES OF AMERICA

BY _____ *Contracting Officer.*

SUBMIT INVOICE FOR PAYMENT TO

ACCOUNTING AND APPROPRIATION DATA

PAYMENT WILL BE MADE BY

Award will be made on this Form, or on Standard Form 26, or by other official written notice.

16—60682-4

TERMS AND CONDITIONS OF THE INVITATION FOR BIDS

1. PREPARATION OF BIDS.—(*a*) Bidders are expected to examine the drawings, specifications, Schedule, and all instructions. Failure to do so will be at the bidder's risk.

(*b*) Each bidder shall furnish the information required by the bid form. The bidder shall print or type his name on the Schedule and each Continuation Sheet thereof on which he makes an entry. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent must be accompanied by evidence of his authority.

(*c*) Unit price for each unit bid on shall be shown and such price shall include packing unless otherwise specified. A total shall be entered in the Amount column of the Schedule for each item bid on. In case of error in extension of price, the unit price will govern.

(*d*) Alternate bids will not be considered unless authorized by the Invitation.

(*e*) When not otherwise specified, bidder must definitely state time of proposed delivery.

(*f*) Time, if stated as a number of days, will include Sundays and holidays.

2. SUBMISSION OF BIDS.—(*a*) Bids and modifications thereof shall be enclosed in sealed envelopes addressed to the issuing office, with the name and address of the bidder, the date and hour of opening, and the invitation number on the face of the envelope. Telegraphic bids will not be considered unless authorized by the Invitation; however, bids may be modified by telegraphic notice provided such notice is received prior to the time set for the opening of the bids.

(*b*) Samples of items, when required, must be submitted within the time specified, and unless otherwise specified by the Government, at no expense to the Government. If not destroyed by testing, samples will be returned at bidder's request and expense, unless otherwise specified by the Invitation.

(*c*) In the event no bid is to be submitted, do not return the Invitation unless otherwise specified. However, a letter or post card should be sent to the issuing office advising whether future Invitations for the type of supplies or services covered by this Invitation are desired.

3. WITHDRAWAL OF BIDS.—Bids may be withdrawn by written or telegraphic notice (see 4 below).

4. LATE BIDS.—Bids and modifications or withdrawals thereof received after the time set for opening will not be considered, unless they are received before the award is made, and it is determined by the Government that failure to arrive on time was due solely to delay in the mails for which the bidder was not responsible.

5. GOVERNMENT-FURNISHED PROPERTY.—No material, labor, or facilities will be furnished by the Government unless otherwise provided for in the Invitation.

6. LABOR INFORMATION.—Attention is invited to the possibility that wage determinations may have been made under the Walsh-Healey Public Contracts Act providing minimum wages for employees engaged in the manufacture for sale to the Government of the supplies covered by this Invitation for Bids. Information in this connection, as well as general information as to the requirements of the Act concerning overtime payment, child labor, safety and health provisions, etc., may be obtained from the Wage and Hour and Public Contracts Divisions, Department of Labor, Washington 25, D. C. Requests for information should state the Invitation number, the issuing agency and the supplies covered.

7. DISCOUNTS.—(*a*) Prompt-payment discounts will be included in the evaluation of bids, provided the period of the offered discount is sufficient to permit payment within such period in the regular course of business under the delivery, inspection, and payment provisions of the Invitation and Bid.

(*b*) In connection with any discount offered, time will be computed from date of delivery of the supplies to carrier when delivery and acceptance are at point of origin, or from date of delivery at destination or port of embarkation when delivery and acceptance are at either of those points, or from date correct invoice or voucher is received in the office specified by the Government if the latter date is later than the date of delivery. Payment is deemed to be made, for the purpose of earning the discount, on the date of mailing of the Government check.

8. AWARD OF CONTRACT.—(*a*) The contract will be awarded to that responsible bidder whose bid, conforming to the Invitation for Bids, will be most advantageous to the Government, price and other factors considered.

(*b*) The Government reserves the right to reject any or all bids and to waive informalities and minor irregularities in bids received.

(*c*) The Government may accept any item or group of items of any bid, unless the bidder qualifies his bid by specific limitations. UNLESS OTHERWISE PROVIDED IN THE SCHEDULE, BIDS MAY BE SUBMITTED FOR ANY QUANTITIES LESS THAN THOSE SPECIFIED; AND THE GOVERNMENT RESERVES THE RIGHT TO MAKE AN AWARD ON ANY ITEM FOR A QUANTITY LESS THAN THE QUANTITY BID UPON AT THE UNIT PRICES OFFERED UNLESS THE BIDDER SPECIFIES OTHERWISE IN HIS BID.

(*d*) A written award mailed (or otherwise furnished) to the successful bidder within the time for acceptance specified in the bid shall be deemed to result in a binding contract without further action by either party.

9. SELLER'S INVOICES.—Invoices shall be prepared and submitted in quadruplicate unless otherwise specified. Invoices shall contain the following information: Contract and order number (if any), item numbers, description of supplies or services, sizes, quantities, unit prices, and extended totals. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading.

10. DEFINITION OF SMALL BUSINESS.—Generally, a small business concern for the purpose of Government procurement is a concern that (1) is not dominant in its field of operation and, with its affiliates, employs fewer than 500 employees, or (2) is certified as a small business concern by Small Business Administration. (*See Code of Federal Regulations, Title 13, Part 103, as amended, which contains the detailed definition and related procedures.*)

* U. S. GOVERNMENT PRINTING OFFICE : 1957 O—448020

CONTINUATION SHEET

Bids will be considered under the following schedule. NO BID will be considered for only part of the schedule.

Item No.	Supplies or Services	Unit	Unit Price
1	Concentration of 36 samples of churn drill hole material	Job	_____
2	(a) Analyze 1/4 split of concentrate from each of above 36 samples for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report of the processing, including results of the analyses	Job	_____
3	(a) Analyze 3 samples of previously concentrated material from test pits for content of tin, columbium-tantalum, tungsten, and gold. (b) Prepare report giving results of the analyses	Job	_____
		TOTAL	_____

Specifications pertaining to the foregoing items 1, 2, and 3 are attached hereto and made a part of this Invitation to Bid.

COPY
DMEA
RECEIVED
DATE

SPECIFICATIONS

Item 1. - The sample material to be concentrated is from 18 churn drill holes, drilled through placer deposits in the Beaver Creek and Bear Creek Areas. The material, aggregating approximately 2-1/2 cubic yards, is in metal containers and each container is labeled with the Area, drill hole number, and sample interval. Many of the metal containers are not full and some contain considerable water. It will be necessary that the net volume of each sample be determined in advance of processing, as assay results are to be computed on the basis of cubic yard of material. See Exhibit "A", Schedule of Churn Drill Hole Samples, attached hereto, for listing of samples to be concentrated; and see Exhibit "B", Flow Sheet for Concentrating Churn Drill Hole Sample Material, attached hereto, for method of concentrating the samples.

Referring to Exhibit "A", Beaver Creek Area, the material from sample intervals 0-6 feet and 6-12 feet will be combined into a composite sample for concentration purpose. The material from the sample interval from 12 feet to bottom of hole will be concentrated as a separate sample. In the Bear Creek Area, sample material for separate concentration will be for the intervals of 0-6 feet and 6-12 feet.

Item 2. - The concentrates from each of the 36 samples, concentrated under Item 1, will be split into two equal portions; one portion of which is to be placed in a suitable container and reserved for subsequent use by the Government, each container to be properly labeled with the words, "Government," and the "Area," "Hole Number," and "Sample Interval" given. The other half of each concentrate split will be resplit two ways; one half will be placed in a suitable covered container labeled with the words, "Operator," and the "Area," "Hole Number," and "Sample Interval" given. The remaining one-fourth of the concentrates is to be used for analysis to obtain content of tin, columbium-tantalum, tungsten, and gold.

The report of the concentration and analyses must be submitted in triplicate and shall contain, in tabular form, the following information for each sample: Area, hole number, sample interval, volume of sample before concentration, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

Item 3. - The samples of concentrates to be analyzed are a one-half split of that derived from the beneficiation of placer gravel obtained from test pits. The samples are in canvas bags and are

labeled as follows, with applicable yardage of the original sample from which the concentrates were derived:

Area	Pit Number	Sample Interval	Cubic Yards
Beaver Creek	1	0 - 16-1/4 Ft.	12.975
Bear Creek	1	0 - 6-1/4 Ft.	3.390
Bear Creek	1	0 - 7 Ft.	4.309.

The report of the results of analyses must be submitted in triplicate and shall contain in tabular form the following information for each sample: Area, pit number, and assay value of contained tin, columbium-tantalum, tungsten, and gold.

General -

1. The project as heretofore outlined shall be identified as Docket No. DMEA 654, Contract No. Idm-E58. The report of analysis results shall be addressed to the Executive Officer, DMEA Field Team, Region III, Defense Minerals Exploration Administration, 224 New Customhouse, Denver 2, Colorado.

2. The work outlined under items 1, 2, and 3 above shall be completed so that the required report, in triplicate, will be forwarded, together with the "Government's" and "Operator's" splits of concentrates, so as to reach the above destination within ninety (90) calendar days from the date the confirming purchase order and the sample material were received by the successful bidder.

3. The material under items 1 and 3 is available for prebid inspection at the Denver Federal Center, and inspection can be arranged through John F. Shaw, Bureau of Mines, Building 20, Denver Federal Center, during the hours of 8:30 a.m. to 4:00 p.m. Monday through Friday.

4.* Bidder will designate location of its laboratory to which the material will be delivered by the Government. Costs of transporting the material from the Denver Federal Center to the bidder's laboratory will be considered in making the award.

*The material will be delivered to the successful bidder as soon as possible after award has been made.

Exhibit "A"

Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
1	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
2	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	4	12-19	12-19
3	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
4	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-19	12-19
5	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
6	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-16	12-16
7	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-18	12-18
8	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	2	12-17	12-17

Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	
	55 gal. drum	1	6-12	0-12
	55 gal. drum	1	12-17	12-17

BEAR CREEK AREA

1	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	15 gal. drum	2	6-12	6-12
2	55 gal. drum	1	0-6	
	15 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	
	40 gal. drum	1	6-12	6-12
3	15 gal. drum	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
4	15 gal. drum	1	0-6	0-6
	35 lb. can	2	6-12	6-12
5	35 lb. can	1	0-6	0-6
	15 gal. drum	1	6-12	6-12
6	55 gal. drum	1	0-6	0-6
	40 gal. drum	1	6-12	6-12
7	15 gal. drum	2	0-6	0-6
	15 gal. drum	1	6-12	
	50 lb. can	1	6-12	6-12
8	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

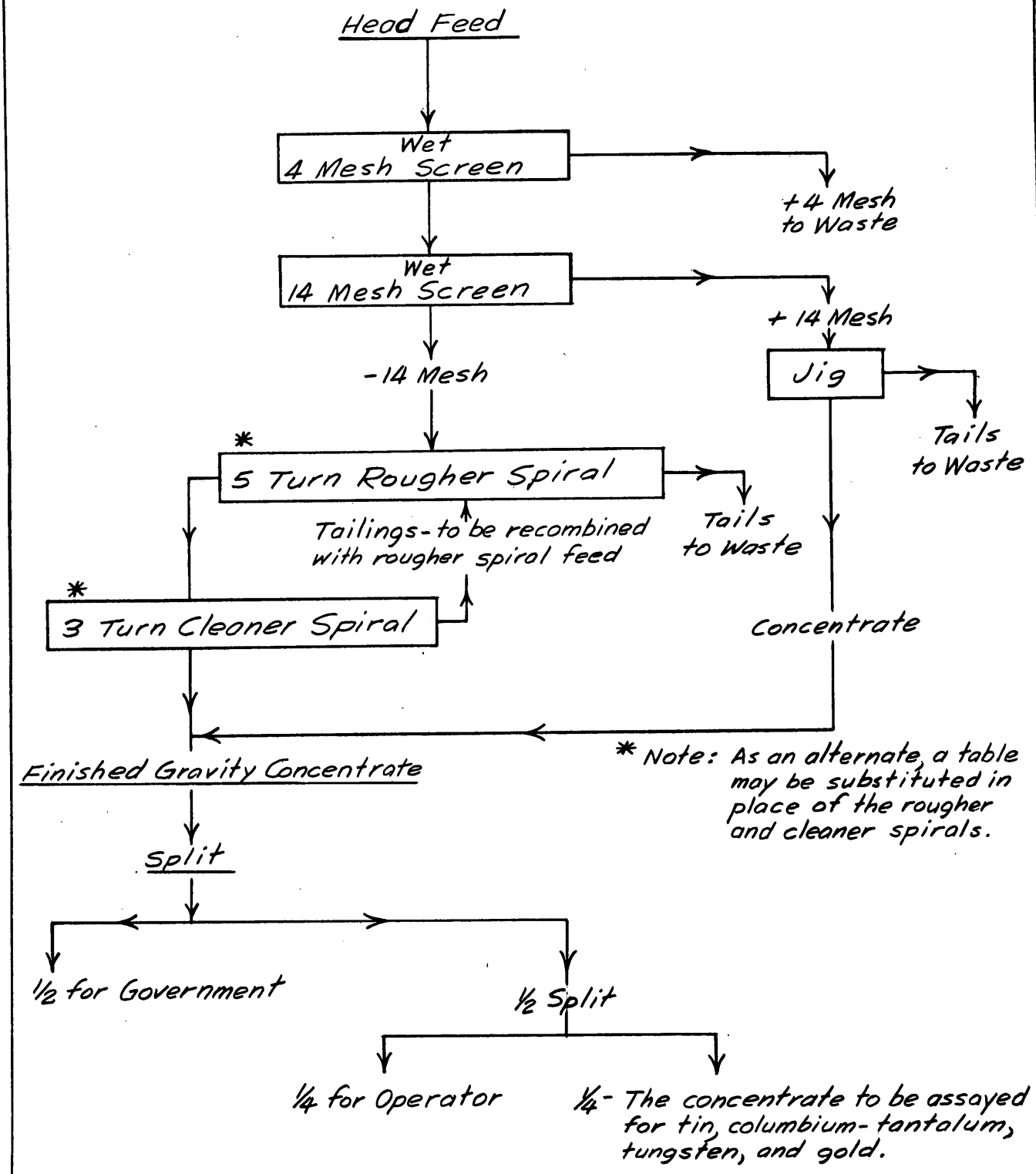
Exhibit "A" (continued)
Schedule of Churn Drill Hole Samples

BEAR CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval (Feet)	Interval of Material to be Concentrated Separately
9	55 gal. drum	1	0-6	0-6
	55 gal. drum	1	6-12	6-12

EXHIBIT "B"

FLOW SHEET FOR CONCENTRATING CHURN DRILL HOLE SAMPLE MATERIAL



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Standard Form 32, Oct. 1957 Edition
Prescribed by General Services
Administration Regulation I-II-209.00

GENERAL PROVISIONS

(Supply Contract)

1. DEFINITIONS

As used throughout this contract, the following terms shall have the meanings set forth below:

(*a*) The term "Secretary" means the Secretary, the Under Secretary, or any Assistant Secretary of the Department, and the head or any assistant head of the Federal agency; and the term "his duly authorized representative" means any person or persons or board (other than the Contracting Officer) authorized to act for the Secretary.

(*b*) The term "Contracting Officer" means the person executing this contract on behalf of the Government, and any other officer or civilian employee who is a properly designated Contracting Officer; and the term includes, except as otherwise provided in this contract, the authorized representative of a Contracting Officer acting within the limits of his authority.

(*c*) Except as otherwise provided in this contract, the term "subcontracts" includes purchase orders under this contract.

2. CHANGES

The Contracting Officer may at any time, by a written order, and without notice to the sureties, make changes, within the general scope of this contract, in any one or more of the following: (i) Drawings, designs, or specifications, where the supplies to be furnished are to be specially manufactured for the Government in accordance therewith; (ii) method of shipment or packing; and (iii) place of delivery. If any such change causes an increase or decrease in the cost of, or the time required for, the performance of any part of the work under this contract, whether changed or not changed by any such order, an equitable adjustment shall be made in the contract price or delivery schedule, or both, and the contract shall be modified in writing accordingly. Any claim by the Contractor for adjustment under this clause must be asserted within 30 days from the date of receipt by the Contractor of the notification of change: *Provided, however,* That the Contracting Officer, if he decides that the facts justify such action, may receive and act upon any such claim asserted at any time prior to final payment under this contract. Where the cost of property made obsolete or excess as a result of a change is included in the Contractor's claim for adjustment, the Contracting Officer shall have the right to prescribe the manner of disposition of such property. Failure to agree to any adjustment shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes." However, nothing in this clause shall excuse the Contractor from proceeding with the contract as changed.

3. EXTRAS

Except as otherwise provided in this contract, no payment for extras shall be made unless such extras and the price therefor have been authorized in writing by the Contracting Officer.

4. VARIATION IN QUANTITY

No variation in the quantity of any item called for by this contract will be accepted unless such variation has been caused by conditions of loading, shipping, or packing, or allowances in manufacturing processes, and then only to the extent, if any, specified elsewhere in this contract.

5. INSPECTION

(*a*) All supplies (which term throughout this clause includes without limitation raw materials, components, intermediate assemblies, and end products) shall be subject to inspection and test by the Government, to the extent practicable at all times and places including the period of manufacture, and in any event prior to acceptance.

(*b*) In case any supplies or lots of supplies are defective in material or workmanship or otherwise not in conformity with the requirements of this contract, the Government shall have the right either to reject them (with or without instructions as to their disposition) or to require their correction. Supplies or lots of supplies which have been rejected or required to be corrected shall be removed or, if permitted or required by the Contracting Officer, corrected in place by and at the expense of the Contractor promptly after notice, and shall not thereafter be tendered for acceptance unless the former rejection or requirement of correction is disclosed. If the Contractor fails promptly to remove such supplies or lots of supplies which are required to be removed, or promptly to replace or correct such supplies or lots of supplies, the Government either (i) may by contract or otherwise replace or correct such supplies and charge to the Contractor the cost occasioned the Government thereby, or (ii) may terminate this contract for default as provided in the clause of this contract entitled "Default." Unless the Contractor corrects or replaces such supplies within the delivery schedule, the Contracting Officer may require the delivery of such supplies at a reduction in price which is equitable under the circumstances. Failure to agree to such reduction of price shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(*c*) If any inspection or test is made by the Government on the premises of the Contractor or a subcontractor, the Contractor without additional charge shall provide all reasonable facilities and assistance for the safety and convenience of the Government inspectors in the performance of their duties. If Government inspection or test is made at a point other than the premises of the Contractor or a subcontractor, it shall be at the expense of the Government except as otherwise provided in this contract: *Provided,* That in case of rejection the Government shall not be liable for any reduction in value of samples used in connection with such inspection or test. All inspections and tests by the Government shall be performed in such a manner as not to unduly delay the work. The Government reserves the right to charge to the Contractor any additional cost of Government inspection and test when supplies are not ready at the time such inspection and test is requested by the Contractor or when reinspection or retest is necessitated by prior rejection. Acceptance or rejection of the supplies shall be made as promptly as practicable after delivery, except as otherwise provided in this contract; but failure to inspect and accept or reject supplies shall neither relieve the Contractor from responsibility for such supplies as are not in accordance with the contract requirements nor impose liability on the Government therefor.

(*d*) The inspection and test by the Government of any supplies or lots thereof does not relieve the Contractor from any responsibility regarding defects or other failures to meet the contract requirements which may be discovered prior to acceptance. Except as otherwise provided in this

contract, acceptance shall be conclusive except as regards latent defects, fraud, or such gross mistakes as amount to fraud.

(*e*) The Contractor shall provide and maintain an inspection system acceptable to the Government covering the supplies hereunder. Records of all inspection work by the Contractor shall be kept complete and available to the Government during the performance of this contract and for such longer period as may be specified elsewhere in this contract.

6. Responsibility for Supplies

Except as otherwise provided in this contract, (i) the Contractor shall be responsible for the supplies covered by this contract until they are delivered at the designated delivery point, regardless of the point of inspection; (ii) after delivery to the Government at the designated point and prior to acceptance by the Government or rejection and giving notice thereof by the Government, the Government shall be responsible for the loss or destruction of or damage to the supplies only if such loss, destruction, or damage results from the negligence of officers, agents, or employees of the Government acting within the scope of their employment; and (iii) the Contractor shall bear all risks as to rejected supplies after notice of rejection, except that the Government shall be responsible for the loss, or destruction of, or damage to the supplies only if such loss, destruction or damage results from the gross negligence of officers, agents, or employees of the Government acting within the scope of their employment.

7. Payments

The Contractor shall be paid, upon the submission of proper invoices or vouchers, the prices stipulated herein for supplies delivered and accepted or services rendered and accepted, less deductions, if any, as herein provided. Unless otherwise specified, payment will be made on partial deliveries accepted by the Government when the amount due on such deliveries so warrants; or, when requested by the Contractor, payment for accepted partial deliveries shall be made whenever such payment would equal or exceed either $1,000 or 50 percent of the total amount of this contract.

8. Assignment of Claims

(*a*) Pursuant to the provisions of the Assignment of Claims Act of 1940, as amended (31 U. S. Code 203, 41 U. S. Code 15), if this contract provides for payments aggregating $1,000 or more, claims for monies due or to become due the Contractor from the Government under this contract may be assigned to a bank, trust company, or other financing institution, including any Federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any such assignment or reassignment shall cover all amounts payable under this contract and not already paid, and shall not be made to more than one party, except that any such assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in such financing. Notwithstanding any provisions of this contract, payments to an assignee of any monies due or to become due under this contract shall not, to the extent provided in said Act, as amended, be subject to reduction or set-off. (*The preceding sentence applies only if this contract is with the Department of Defense, the General Services Administration, the Atomic Energy Commission, or any other department or agency of the United States designated by the President pursuant to clause 4 of the proviso of section 1 of the Assignment of Claims Act of 1940, as amended by the Act of May 15, 1951, 65 Stat. 41.*)

(*b*) In no event shall copies of this contract or of any plans, specifications, or other similar documents relating to work under this contract, if marked "Top Secret," "Secret," or "Confidential," be furnished to any assignee of any claim arising under this contract or to any other person not entitled to receive the same: *Provided*, That a copy of any part or all of this contract so marked may be furnished, or any information contained therein may be disclosed, to such assignee upon the prior written authorization of the Contracting Officer.

9. Additional Bond Security

If any surety upon any bond furnished in connection with this contract becomes unacceptable to the Government, or if any such surety fails to furnish reports as to his financial condition from time to time as requested by the Government, the Contractor shall promptly furnish such additional security as may be required from time to time to protect the interests of the Government and of persons supplying labor or materials in the prosecution of the work contemplated by this contract.

10. Examination of Records

(The following clause is applicable if the amount of this contract exceeds $1,000 and was entered into by means of negotiation, but is not applicable if this contract was entered into by means of formal advertising.)

(*a*) The Contractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under this contract, have access to and the right to examine any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to this contract.

(*b*) The Contractor further agrees to include in all his subcontracts hereunder a provision to the effect that the subcontractor agrees that the Comptroller General of the United States or any of his duly authorized representatives shall, until the expiration of three years after final payment under the subcontract, have access to and the right to examine any directly pertinent books, documents, papers, and records of such subcontractor, involving transactions related to the subcontract. The term "subcontract" as used in this clause excludes (i) purchase orders not exceeding $1,000 and (ii) subcontracts or purchase orders for public utility services at rates established for uniform applicability to the general public.

11. Default

(*a*) The Government may, subject to the provisions of paragraph (*c*) below, by written notice of default to the Contractor, terminate the whole or any part of this contract in any one of the following circumstances:

(i) if the Contractor fails to make delivery of the supplies or to perform the services within the time specified herein or any extension thereof; or

(ii) if the Contractor fails to perform any of the other provisions of this contract, or so fails to make progress as to endanger performance of this contract in accordance with its terms, and in either of these two circumstances does not cure such failure within a period of 10 days (or such longer period as the Contracting Officer may authorize in writing) after receipt of notice from the Contracting Officer specifying such failure.

(*b*) In the event the Government terminates this contract in whole or in part as provided in paragraph (*a*) of this clause, the Government may procure, upon such terms and in such manner as the Contracting Officer may deem

appropriate, supplies or services similar to those so terminated, and the Contractor shall be liable to the Government for any excess costs for such similar supplies or services: *Provided*, That the Contractor shall continue the performance of this contract to the extent not terminated under the provisions of this clause.

(*c*) Except with respect to defaults of subcontractors, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the Government in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform must be beyond the control and without the fault or negligence of the Contractor. If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the supplies or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

(*d*) If this contract is terminated as provided in paragraph (*a*) of this clause, the Government, in addition to any other rights provided in this clause, may require the Contractor to transfer title and deliver to the Government, in the manner and to the extent directed by the Contracting Officer, (i) any completed supplies, and (ii) such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (hereinafter called "manufacturing materials") as the Contractor has specifically produced or specifically acquired for the performance of such part of this contract as has been terminated; and the Contractor shall, upon direction of the Contracting Officer, protect and preserve property in possession of the Contractor in which the Government has an interest. Payment for completed supplies delivered to and accepted by the Government shall be at the contract price. Payment for manufacturing materials delivered to and accepted by the Government and for the protection and preservation of property shall be in an amount agreed upon by the Contractor and Contracting Officer; failure to agree to such amount shall be a dispute concerning a question of fact within the meaning of the clause of this contract entitled "Disputes."

(*e*) If, after notice of termination of this contract under the provisions of paragraph (*a*) of this clause, it is determined that the failure to perform this contract is due to causes beyond the control and without the fault or negligence of the Contractor or subcontractor pursuant to the provisions of paragraph (*c*) of this clause, such notice of default shall be deemed to have been issued pursuant to the clause of this contract entitled "Termination for Convenience of the Government," and the rights and obligations of the parties hereto shall in such event be governed by such clause. (*Except as otherwise provided in this contract, this paragraph (e) applies only if this contract contains such clause.*)

(*f*) The rights and remedies of the Government provided in this clause shall not be exclusive and are in addition to any other rights and remedies provided by law or under this contract.

12. Disputes

(*a*) Except as otherwise provided in this contract, any dispute concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Contracting Officer, who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Contracting Officer shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the Contracting Officer a written appeal addressed to the Secretary. The decision of the Secretary or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, or capricious, or arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, the Contractor shall proceed diligently with the performance of the contract and in accordance with the Contracting Officer's decision.

(*b*) This "Disputes" clause does not preclude consideration of law questions in connection with decisions provided for in paragraph (*a*) above: *Provided*, That nothing in this contract shall be construed as making final the decision of any administrative official, representative, or board on a question of law.

13. Notice and Assistance Regarding Patent Infringement

The provisions of this clause shall be applicable only if the amount of this contract exceeds $5,000.

(*a*) The Contractor shall report to the Contracting Officer, promptly and in reasonable written detail, each notice or claim of patent infringement based on the performance of this contract of which the Contractor has knowledge.

(*b*) In the event of litigation against the Government on account of any claim of patent infringement arising out of the performance of this contract or out of the use of any supplies furnished or work or service performed hereunder, the Contractor shall furnish to the Government, upon request, all evidence and information in possession of the Contractor pertaining to such litigation. Such evidence and information shall be furnished at the expense of the Government except in those cases in which the Contractor has agreed to indemnify the Government against the claim being asserted.

14. Buy American Act

(*a*) In acquiring end products, the Buy American Act (41 U. S. Code 10 a–d) provides that the Government give preference to domestic source end products. For the purpose of this clause:

(i) "components" means those articles, materials, and supplies, which are directly incorporated in the end products;

(ii) "end products" means those articles, materials, and supplies, which are to be acquired under this contract for public use; and

(iii) a "domestic source end product" means (A) an unmanufactured end product which has been mined or

produced in the United States and (B) an end product manufactured in the United States if the cost of the components thereof which are mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. For the purposes of this (*a*) (iii) (B), components of foreign origin of the same type or kind as the products referred to in (*b*) (ii) or (iii) of this clause shall be treated as components mined, produced, or manufactured in the United States.

(*b*) The Contractor agrees that there will be delivered under this contract only domestic source end products, except end products:

(i) which are for use outside the United States;

(ii) which the Government determines are not mined, produced, or manufactured in the United States in sufficient and reasonably available commercial quantities and of a satisfactory quality;

(iii) as to which the Secretary determines the domestic preference to be inconsistent with the public interest; or

(iv) as to which the Secretary determines the cost to the Government to be unreasonable.

(The foregoing requirements are administered in accordance with Executive Order No. 10582, dated December 17, 1954.)

15. Convict Labor

In connection with the performance of work under this contract, the Contractor agrees not to employ any person undergoing sentence of imprisonment at hard labor.

16. Eight-Hour Law of 1912—Overtime Compensation

This contract, to the extent that it is of a character specified in the Eight-Hour Law of 1912, as amended (40 U. S. Code 324–326) and is not covered by the Walsh-Healey Public Contracts Act (41 U. S. Code 35–45), is subject to the following provisions and exceptions of said Eight-Hour Law of 1912, as amended, and to all other provisions and exceptions of said Law:

No laborer or mechanic doing any part of the work contemplated by this contract, in the employ of the Contractor or any subcontractor contracting for any part of said work contemplated, shall be required or permitted to work more than eight hours in any one calendar day upon such work, except upon the condition that compensation is paid to such laborer or mechanic in accordance with the provisions of this clause. The wages of every laborer and mechanic employed by the Contractor or any subcontractor engaged in the performance of this contract shall be computed on a basic day rate of eight hours per day; and work in excess of eight hours per day is permitted only upon the condition that every such laborer and mechanic shall be compensated for all hours worked in excess of eight hours per day at not less than one and one-half times the basic rate of pay. For each violation of the requirements of this clause a penalty of five dollars shall be imposed for each laborer or mechanic for every calendar day in which such employee is required or permitted to labor more than eight hours upon said work without receiving compensation computed in accordance with this clause, and all penalties thus imposed shall be withheld for the use and benefit of the Government.

17. Walsh-Healey Public Contracts Act

If this contract is for the manufacture or furnishing of materials, supplies, articles, or equipment in an amount which exceeds or may exceed $10,000 and is otherwise subject to the Walsh-Healey Public Contracts Act, as amended (41 U. S. Code 35–45), there are hereby incorporated by reference all representations and stipulations required by said Act and regulations issued thereunder by the Secretary of Labor, such representations and stipulations being subject to all applicable rulings and interpretations of the Secretary of Labor which are now or may hereafter be in effect.

18. Nondiscrimination in Employment

(*a*) In connection with the performance of work under this contract, the Contractor agrees not to discriminate against any employee or applicant for employment because of race, religion, color, or national origin. The aforesaid provision shall include, but not be limited to, the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post hereafter in conspicuous places, available for employees and applicants for employment, notices to be provided by the Contracting Officer setting forth the provisions of the nondiscrimination clause.

(*b*) The Contractor further agrees to insert the foregoing provision in all subcontracts hereunder, except subcontracts for standard commercial supplies or raw materials.

19. Officials Not To Benefit

No member of or delegate to Congress, or resident commissioner, shall be admitted to any share or part of this contract, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this contract if made with a corporation for its general benefit.

20. Covenant Against Contingent Fees

The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this contract without liability or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

21. Utilization of Small Business Concerns

(*a*) It is the policy of the Government as declared by the Congress that a fair proportion of the purchases and contracts for supplies and services for the Government be placed with small business concerns.

(*b*) The Contractor agrees to accomplish the maximum amount of subcontracting to small business concerns that the Contractor finds to be consistent with the efficient performance of this contract.

☆ U. S. GOVERNMENT PRINTING OFFICE : 1957 O - 442852

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

SPECIAL TERMS AND CONDITIONS OF THE INVITATION FOR BIDS

Article 11. Standard Form 32, General Provisions (Supply Contract) prescribed by the General Services Administration, October 1957 edition, is incorporated herein by reference and made a part hereof and receipt of the form is hereby acknowledged. (A copy of Standard Form 32 is obtainable upon request.)

Article 12. Patents. The Contractor shall hold and save the Government, its officers, agents, servants, and employees, harmless from liability of any nature or kind, including costs and expenses, for or on account of any patented or unpatented invention, article, process, appliance or apparatus manufactured or used by the Contractor in performance of this contract, including its subsequent use or disposal by or for the Government. Any patented invention, the use of which by this contract is required or permitted in the alternative to be used and which the United States has the right to use royalty free, shall be available to the Contractor without the payment of the royalty.

Article 13. Delivery. Time of delivery is important, and complete delivery at the specified destination is desired within the number of calendar days after date of receipt by the contractor of notice of award of contract as indicated on the face of Standard Form 33.

Bidders are required to state, in the space provided on the face of Standard Form 33, a definite period of time within which shipment will be made, and the time so stated, if in excess of the time desired, may be considered in making award of contract. If the bidder fails to insert the number of days in which shipment will be made, the bid will be considered upon the basis that shipment will be made within the desired period, and the bidder agrees to accept award on that basis.

Article 14. Comparison of bids. Whenever applicable, equalizing elements or factors not specifically mentioned or provided for herein, such as the cost of transportation, of installation, of inspection (including salaries, travel, and subsistence expenses), or of any other element or factor in addition to that of price which would affect the final cost to the Government, may be taken into consideration in making award of contract.

Article 15. Protests. If the contractor considers any work demanded of him to be outside of the requirements of the contract, or considers any record or ruling of the contracting officer or of the inspectors to be unfair, he shall immediately upon such work being demanded or such record or ruling being made, ask, in writing, for written instructions or decision, and upon receipt of such written instructions or decision, he shall proceed without delay to perform

the work or to conform to the record or ruling, and within thirty (30) calendar days after date of receipt of the written instructions or decision (unless the contracting officer shall grant a further period of time prior to commencement of the work affected) he shall file a written protest with the contracting officer, stating clearly and in detail the basis of his protest. Except for such protests as are made of record in the manner herein specified and within the time limit stated, the records, rulings, instructions, or decisions of the contracting officer shall be final and conclusive. Instructions and/or decisions of the contracting officer contained in letters transmitting drawings to the contractor shall be considered as written instructions or decisions subject to protest as herein provided.

Article 16. Bidder's qualifications. All prospective bidders are hereby notified that, before any bid submitted in response to this invitation is considered for award, the Government may require the bidder to submit a statement of facts in detail as to the previous experience of the bidder in performing similar or comparable work and of the business and technical organization and financial resources and plant of the bidder available and to be used in performing the contemplated work. The Government expressly reserves the right to reject any bid on which the facts as to business and technical organization, plant, financial, and other resources, or business experience, compared with the work bid upon, justify such rejection.

In the case of highly specialized or complicated equipment where prior satisfactory performance over a period of time under actual operating conditions is essential to establish the reliability of the equipment and where failure to operate properly could result in loss of life or serious property damage, the contracting officer may require the bidder to furnish evidence of satisfactory performance of comparable equipment over a sufficient period of time to insure the reliability of the equipment being offered.

Article 17. Late bids. (a) Metered mail.--No bid or modification thereof transmitted in a metered envelope received after the time set for opening will be considered, unless the envelope is stamped in the Post Office where mailed to show the date and hour of mailing and it is determined by the Government that nonarrival on time was due solely to delay in the mails for which the bidder was not responsible. If a metering device is used in stamping the envelope containing the bid, the bidder is responsible for assuring that the hour and date of posting are indicated on the envelope by Post Office cancellation. The time as shown by the Post Office cancellation will be considered as the hour and date of posting.

Article 18. Default. The following is added to Paragraph (c) of Clause No. 11 entitled "Default" of Standard Form 32, October 1957 Edition:

> "Whether the failure to perform arises out of default of either the prime contractor or his subcontractor the contractor shall, as a condition precedent to being relieved from excess costs for failure

to perform because of excusable delays, notify the contracting officer in writing of the cause of any such delay, within 30 days from the beginning thereof, or within such further period as the contracting officer shall, prior to the date of final settlement of the contract, grant for the giving of such notice. As soon as practicable after receipt of the contractor's notice of delay, the contracting officer shall ascertain the facts and extent of the delay, and extend the time for making delivery when in his judgment the findings of fact justify such an extension, and his findings of fact thereon shall be final and conclusive on the parties hereto, subject only to appeal, within 30 days, by the contractor to the Secretary or his duly authorized representative, under the Disputes Clause of this contract."

Article 19. Extras. The contractor shall, when ordered in writing by the contracting officer, perform extra work and furnish extra material, not required by the invitation or included in the schedule, but forming an inseparable part of the work contracted for. Extra work and material will ordinarily be paid for at the lump-sum or unit price stated in the order. Whenever, in the judgment of the contracting officer, it is impracticable, because of the nature of the work or for any other reason to otherwise fix the price in the order, the extra work and material shall be paid for at the actual necessary cost as determined by the contracting officer, plus an allowance, not to exceed 15 per cent of such actual necessary cost of the extra work and materials, for superintendence, general expense, and profit. The actual necessary cost will include all reasonable expenditures for material, labor (including compensation insurance and social security taxes), and supplies furnished by the contractor, and a reasonable allowance for the use of his plant and equipment, where required, but will in no case include any allowance for office expenses, general superintendence, or other general expenses.

Article 20. Federal, State, and local taxes. (a) As used throughout this paragraph, the term "tax inclusive date" means the date of negotiated contracts and the date set for the opening of bids for contracts entered into through formal advertising. As to additional supplies or services procured by modification to this contract, the term "tax inclusive date" means the date of such modification.

(b) Except as may be otherwise provided in this contract, the contract price includes all Federal, State, and local taxes and duties in effect and applicable to this contract on the tax inclusive date, except taxes (other than Federal transportation taxes) from which the Government, the contractor, or the transactions or property covered by this contract are then exempt. Unless specifically excluded, duties are included in the contract price, and, if freight is included in the contract price, Federal transportation taxes are likewise included.

(c) (1) If the contractor is required to pay or bear the burden (i) of any tax or duty, which either was not to be included in the contract price pursuant to the requirements of paragraph (b), or was specifically excluded from the contract price by a provision of this contract; or (ii) of an increase in rate of any tax or duty, whether or not such tax or duty was excluded from the contract price; or of any interest or penalty thereon, the contract price shall be correspondingly increased: Provided, That the contractor warrants in writing that no amount for such tax, duty or rate increase was included in the contract price as a contingency reserve or otherwise: And provided further, That liability for such tax, duty, rate increase, interest, or penalty was not incurred through the fault or negligence of the contractor or its failure to follow instructions of the contracting officer.

(2) If the contractor is not required to pay or bear the burden, or obtains a refund or drawback, in whole or in part, of any tax, duty, interest, or penalty which (i) was to be included in the contract price pursuant to the requirements of subparagraph (b), (ii) was included in the contract price, or (iii) was the basis of an increase in the contract price, the contract price shall be correspondingly decreased or the amount of such relief, refund, or drawback shall be paid to the Government, as directed by the contracting officer. The contract price also shall be correspondingly decreased if the contractor, through its fault or negligence or its failure to follow instructions of the contracting officer, is required to pay or bear the burden, or does not obtain a refund or drawback of any such tax, duty, interest, or penalty. Interest paid or credited to the contractor incident to a refund of taxes shall inure to the benefit of the Government to the extent that such interest was earned after the contractor was paid or reimbursed by the Government for such taxes.

(3) Invoices or vouchers covering any adjustment of the contract price pursuant to this subparagraph (c) shall set forth the amount thereof as a separate item and shall identify the particular tax involved.

(4) Nothing in this subparagraph (c) shall be applicable to social security taxes; net income taxes; excess profit taxes; capital stock taxes; Federal transportation taxes, except changes in the rate thereof, including repeal, pertaining to shipments from the contractor to the Government; unemployment compensation taxes; or any State and local taxes, except those levied on or measured by the contract or sales price of the services or completed supplies furnished under this contract, including gross income taxes, gross receipts taxes, sales and use taxes, excise taxes, or franchise or occupation taxes measured by sales or receipt from sales.

(5) No adjustment of less than $100 shall be made in the contract price pursuant to this subparagraph.

(d) Unless there does not exist any reasonable basis to sustain an exemption, the Government agrees upon request of the contractor, without

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/14/58	Knouse	700
8-15	Chambers	800
8/15	Jeffrey	130
8/15	Jones	130
8/15	Wilson	130
"	Johnson	110
		100
8	J. S.	220
		700

AUG 15 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

Enclosed are the original and four copies of a proposed Termination Agreement, signed by the Administrator for the Government. This document is sent to replace the Termination Agreement forwarded to you July 21, 1958, by our Denver, Colorado, office.

You will note that the agreement allows (1) until January 1, 1959, to complete the winding-up action; (2) provides for the transportation of the excavated material recovered from the churn drill holes (drill cuttings) to a qualified independent laboratory; (3) an alternate method of processing the material; the assaying of two independent concentrate samples from each drill hole for tin, columbium-tantalum, tungsten, and gold; and (4) also provides for the assaying of one representative concentrate sample from each test pit, furnished by you, for tin, columbium-tantalum, tungsten, and gold.

If the proposed Termination Agreement is satisfactory, all copies are to be signed by an official of the Northwest Defense Minerals, Inc., authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and the original and all copies, except the copy marked "Operator's copy," promptly returned to this office. Also, the original and all copies of the Termination Agreement sent to you July 21, 1958, are to be returned to this office.

FLKnouse/gla
8-14-58
cc to: Admr.'s Reading File
Operating Committee
THKillsgaard, 5224
Enclosures Mr. Knouse
DMEA Field Team, Region III (2)

Sincerely yours,

C. C. Wilson (for)

Administrator

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
August 11, 1958

RECEIVED AUG 14 1958

DATE	INITIALS	CODE
8/14	J. G.	225
	~~Knouse~~	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

Enclosed are the original and two copies of a memorandum, dated August 8, 1958, from E. O. Binyon, Mining Engineer, Bureau of Mines, pertaining to matters, comments on which were requested by Mr. F. L. Knouse from this office by telephone on August 6.

As brought out by Mr. Binyon, the contract permitted approximately 180 feet of drilling in each of the Beaver Creek and Bear Creek Areas, which was not exceeded to any great extent. There were 187-1/2 feet of drilling paid for in the Bear Creek Area and 161 feet paid for in the Beaver Creek Area, aggregating 348.5 feet, as against the approximate maximum of 360 feet as permitted in the contract.

Since there was no specific cut-off established in the contract for the depth of drilling, and since the gravel-bed rock contact could not be readily detected, it is the contention of this office that the work was performed and reimbursement made within the provisions of the contract.

J. W. Townsend

J. W. Townsend

Enclosures

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

DMEA
DEPARTMENT OF THE INTERIOR

REGION III

AUG 11 1958
REGION III
DENVER COLORADO

RECEIVED AUG 14 1958

Building 20
Denver Federal Center
Denver 2, Colorado
August 8, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

From: E. O. Binyon

Subject: Docket DMEA 654 (Tin, Columbium, Tantalum, Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District) Lawrence County, South Dakota

This is in reply to your memorandum of August 6, 1958 concerning the request by Mr. F. L. Knouse of the Washington Office DMEA for clarification of the following.

(a) Was the drilling supervised by the supervising engineer

(b) Were the holes drilled deeper than the holes provided for in the contract

(c) Justification for payment of the overdrilling

(a) The drilling was supervised by R. M. Atwater, Jr., the operator's engineer

(b) No. The contract stipulates (Exhibit A Amendment No. 3) that --- "There shall be drilled not to exceed nine (9) holes of an approximate average depth of 20 feet each (or an approximate aggregate total of 180 of hole" ---) This stipulation is for the churn drilling on both Bear and Beaver Creeks. A total of 187.5 feet were drilled in the nine holes on Bear Creek and 161 feet were drilled in the nine holes on Beaver Creek

(c) In the memorandum to you dated July 28, 1958 it was stated that "This overdrilling was in part due to the softness of the bedrock, the inexperience of the driller and operator and the fact that the churned gravel samples were difficult to distinguish from the churned bedrock." Therefore, there is no proof that the holes were actually overdrilled, just an opinion. Based on the stipulation in the contract for the depth of each hole and the total aggregate depth of the 9 holes there was no overdrilling and payment for the drilling was made in conformance with the terms of the contract.

E O Binyon

E. O. Binyon, Mining Engineer

EOB/mw

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

August 8, 1958

ORIGINAL FILE COPY
DMEA
RECEIVED AUG 11 1958
DATE | EXPIRES | CODE
8/11 | N.G. | 225
| ~~Chrono~~ | 700

AIR MAIL

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Reg. III

Subject: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten)
Contract No. Idm-E58, Northwest Defense Minerals, Inc.
(Rawlins Mining District) Lawrence County, South Dakota

see Term. agt.

In conformance with the request from Mr. F. L. Knouse by telephone today, enclosed are eight copies of a revised flow sheet, which it is understood is to be used in conjunction with the termination agreement being prepared in your office, to terminate the subject contract.

Upon discussion of the matter of processing the material with metallurgists in conjunction with the originally proposed flow sheet, it was their advice that it was impractical, if not impossible, to obtain satisfactory results by the use of spiral classifiers in the circuit because of the small volume of feed. Therefore, they recommend that provisions be made to substitute a table in place of the spirals; thus, the reason for the revised flow sheet which contains an appropriate notation as to the alternate.

Because of anticipated interval of time required to complete processing of the material, results of which must be forwarded to the Operator to enable it to complete its final report, it is recommended that the termination date be extended to January 1, 1959.

In reference to analyses of the concentrates, it is our understanding that analysis will be made for combined columbium-tantalum; therefore, bid specifications are being prepared accordingly.

Encls.

J. W. Townsend

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/8/58	Knouse	800
		225

August 8, 1958

Memorandum

To: The File

From: F. L. Knouse, Acting Director
Division of Rare and Miscellaneous Metals

Subject: Telephone call from J. W. Townsend, Denver, Colorado
Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Townsend: I have just seen the fellows at the Colorado School of Mines about processing the drill hole material. They said that to process such small samples with the spirals, as is shown in the Flow Sheet I sent you, would be practically impossible and the costs would be prohibitive. They suggest an alternate of using tables which would simplify and speed up the processing.

Knouse: As discussed with you, we planned to incorporate the flow diagram in the Termination Agreement and the agreement draft is now with the Legal Division for preparation of the agreement. Could you make an insertion on the flow diagram showing that the tables may be used as an alternate method of processing and send us eight copies of the revised flow diagram for attachment to the Termination Agreement? Please do not change the title on the diagram.

Townsend: Yes, we will do that at once. Another question occurred. We are informed that it will require from 60 to 90 days to process the material and analyze the samples, and our recommended period for the Operator to render the final report, etc., is November 1, 1958. Since the Operator will require the analytical data to prepare the final report, this date should be moved up to January 1, 1959.

Knouse: I will change the date as you recommend.

AEC Form 7
(12-53)

8/5/58 Memo. 800
225

August 8, 1958

Memorandum

To: The File

From: K. L. Knowse, Acting Director
Division of Raw and Miscellaneous Metals

Subject: Telephone call from J. W. Townsend, Denver, Colorado
Docket No. DMSA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-858
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Townsend: I have just seen the fellows at the Colorado School of Mines about processing the drill hole material. They said that to process such small samples with the spirals, as is shown in the Flow Sheet I sent you, would be practically impossible and the costs would be prohibitive. They suggest an alternate of using tables which would simplify and speed up the processing.

Knowse: As discussed with you, we planned to incorporate the Flow diagram in the Termination Agreement and the agreement draft is now with the Legal Division for preparation of the agreement. Could you make an insertion on the flow diagram showing that the tables may be used as an alternate method of processing and send us eight copies of the revised flow diagram for attachment to the Termination Agreement? Please do not change the title on the diagram.

Townsend: Yes, we will do that at once. Another question occurred. We are informed that it will require from 60 to 90 days to process the material and analyze the samples, and our recommended period for the Operator to render the final report, etc., is November 1, 1958. Since the Operator will require the analytical data to prepare the final report, this date should be moved up to January 1, 1959.

Knowse: I will change the date as you recommend.

Townsend: Good. Another question: To analyze each sample separately for columbium and tantalum would also increase the cost substantially. Under regular laboratory procedure the analysis is made for both elements combined and this procedure would reduce the cost substantially. For the purpose of this project, I recommend the combined analysis.

Knouse: I agree with you. Also you will note in the contract, which is also in the Termination Agreement, the columbium-tantalum is a hypenated word. Therefore, one analysis for both elements should be satisfactory.

Townsend: Fine. Then we will go ahead on that basis.

F. L. Knouse

8/8 C 220
8/12 800
8/12 FLK 700

224 New Customhouse
Denver 2, Colorado
August 7, 1958

(VIA AIR MAIL)

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, N. Y.

Re: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-458, Northwest Defense Minerals, Inc. (Rawlins Mining District) Lawrence County, South Dakota

Dear Miss Keenan:

As a matter of record, there is enclosed a schedule of drill hole samples which were received from the referenced project by Buckingham Transportation, Inc., Rapid City, South Dakota, and transported to the Denver Federal Center.

The material is in eighty-eight metal containers, as follows:

Containers	
Size	Number
55 gal. drums	50
40 gal. drums	1
15 gal. drums	30
50 lb. grease cans	1
35 lb. grease cans	5
25 lb. grease cans	1
Total	88

In reviewing the enclosed schedule of drill hole samples, you will please note that the samples for three drilling intervals are listed as "Missing" as they were not received. The missing samples are from the Bear Creek Area, Hole No. 6, intervals 6 feet to 12 feet and 24 feet to 30 feet, and Hole No. 9, interval 12 feet to 15 feet. We will appreciate any information you have regarding the missing samples.

JWT:prl
cc: Chem.Op.Comm.-2 (via air mail)
Harshman
DMEA/DFC(Rinyon)
Cerres.
Cooper
Chron.

Very truly yours,
Original signed by
J. W. TOWNSEND
J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

Schedule of Churn Drill Hole Samples

BEAVER CREEK AREA

Hole No.	Container Size	Container Number	Sample Interval Feet
1	55 gal. drum	1	0-6
	55 " "	1	6-12
	55 " "	1	12-18
2	55 Gal. drum	1	0-6
	55 " "	1	6-12
	55 " "	4	12-19
3	55 Gal. drum	1	0-6
	55 " "	1	6-12
	55 " "	1	12-18
4	55 Gal. drum	1	0-6
	55 " "	1	6-12
	55 " "	1	12-19
5	55 Gal. drum	1	0-6
	55 " "	1	6-12
	55 " "	1	12-16
6	55 Gal.drum	1	0-6
	55 " "	2	6-12
	55 " "	1	12-16
7	55 Gal. Drum	1	0-6
	55 " "	1	6-12
	55 " "	1	12-18
8	55 Gal. drum	1	0-6
	55 Gal. drum	1	6-12
	55 Gal. drum	2	12-17
9	55 Gal. drum	1	0-6
	55 " "	1	6-12
	55 " "	1	12-17

Bear Creek Area

1	50 lb. can	1	0-6
	55 gal. drum	1)	6-12)
	15 " "	2)	6-12)
	55 " "	1	12-18
	55 " "	1)	18-21)
	25 lb. can	1)	18-22½)

Hole No.	Container Size	Container Number	Sample Interval Feet
2	55 Gal. drum	1)	0-6)
	15 " "	1)	0-6)
	55 " "	1)	6-12)
	40 " "	1)	6-12)
	15 " "	1	12-18
	15 " "	1	18-23
3	15 gal. drum	1	0-6
	15 " "	1	6-12
	15 " "	2	12-18
	15 " "	1	18-24
	I5 " "	2	18-26½
4	15 gal. drum	1	0-6
	35 lb. can	2	6-12
	35 " "	2)	12-18)
	15 gal. drum	1)	12-18)
	15 " "	2	18-22
5	35 lb. can	1	0-6
	15 gal. drum	1	6-12
	15 " "	2	12-18
	15 " "	1	18-22
6	15 gal. drum	1	0-6
	Missing		6-12
	55 gal. drum	2	12-18
	55 " "	1	18-24
	Missing		24-30
7	15 gal. drum	2	0-6
	15 " "	2	6-12
	15 " "	2	12-18
	15 " "	2)	18-24)
	55 gal. drum	1)	18-24)
	55 gal. drum	2)	24-30)
	15 " "	1)	
	55 " "	1	30-34
8	55 gal. drum	1	0-6
	55 " "	1	6-12
	55 " "	1	12-18
	55 " "	1	18-20
9	55 gal. drum	1	0-6
	55 " "	1	6-12
	Missing		12-15

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/7/58	Knouse	700
		140

RECEIVED
AUG 8 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

INTERIOR DEPT.
AUG 8 - 1958
SOLICITOR

August 7, 1958

Memorandum

To: Associate Solicitor
Division of Mineral Resources

From: F. L. Knouse, Acting Director
Division of Rare and Miscellaneous Metals

Subject: Termination Agreement
Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

In accordance with our discussion on August 6, kindly prepare a Termination Agreement for the subject contract in accordance with the attached draft. This Termination Agreement will replace the one forwarded to the Operator by Region III on July 21, 1958.

Duplicate copies of the Flow Plan attached to the Field Team's memorandum of July 30 are being photostated and will be forwarded* to you for attachment to the agreement as soon as received in this Division.

/s/ F. L. Knouse

F. L. Knouse

* Attached

FLKnouse/gla
cc to: Mr. Knouse

8623

TERMINATION AGREEMENT

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Northwest Defense Minerals, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Ion-358, Docket No. DMEA-654, dated July 16, 1961, as amended, hereinafter called the "Contract," that:

1. Effective November 1, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Operator shall turn over to the Government the excavated materials from all churn drill holes (drill cuttings) for transporting to a qualified independent laboratory, and for processing and analyses of samples, ~~including the analyses of concentrate samples recovered from each test pit that were furnished by the Operator.~~

3. In lieu of concentrating the metals and minerals from the material recovered from the churn drill holes by the method referred to in Paragraph 2 of Amendment No. 12, as is set forth in the Flow Sheet referred to and attached to Amendment No. 12, the metals and minerals may be concentrated as is set forth in the attached flow sheet entitled "Acceptable

Alternate Flow Plan Northwest Defense Minerals, Inc., Lawrence County, South Dakota."

The material recovered from each churn drill hole shall be prepared into two individual concentrate samples as follows:

(a) All material recovered from the collar of the drill hole to the bottom of the sampling interval above bedrock; and

(b) All the material recovered from the bottom of the sampling interval (item (2) including bedrock) to the bottom of the next sampling interval. A representative split of each concentrate sample shall be assayed for tin, columbium-tantalum, tungsten, and gold, and a representative split of each concentrate sample shall be furnished the Operator.

4. One representative concentrate sample furnished by the Operator that was recovered from each test pit shall be assayed for tin, columbium-tantalum, tungsten, and gold.

5. The Government shall contribute to the allowable costs incurred prior to said effective date, and shall contribute to the allowable costs incurred beginning with said effective date and ending not later than November 1, 1958, in performing winding-up and settlement actions, including the making and rendering of a comprehensive final geologic and engineering report. The cost for this work may be obtained from any funds allotted to the project which have not been expended.

6. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account, and shall contribute its pro rata share of the costs incurred by the Government in connection with paragraph numbered 2 of this Termination Agreement. The Operator, upon payment of its pro rata share of the costs incurred by the Government, shall be furnished with a copy of the laboratory report.

7. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's record), accounts, audits, and the right to recover any overpayment, are hereby preserved.

8. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By _____
Administrator, Defense Minerals
Exploration Administration

NORTHWEST DEFENSE MINERALS, INC.

By _____

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/8	Knouse	700

August 7, 1958

Memorandum

To: The File

From: F. L. Knouse, Acting Director
Division of Rare and Miscellaneous Metals

Subject: Telephone call from J. W. Townsend, Denver, Colo.

Docket No. DMEA-654
Contract No. Idm-E58
Northwest Defense Minerals, Inc.

Townsend: I am calling about DMEA-654, Northwest Defense Minerals, Inc., that we discussed yesterday.

I talked with the fellows at the Colorado School of Mines about processing the material from the drill holes. They recommend that head and tail samples should also be assayed for each of the samples and I would like to know if you think this will be necessary. This would increase the cost substantially as it would about triple the number of analyses that would be necessary for the program we discussed yesterday.

Knouse: Under the circumstances, I do not believe we could justify the additional expense. However, for protection in case the Operator should doubt that a good recovery of the mineral values were made, I suggest that your bid should state that a split of the heads and tails from each sample should be furnished to the Government. Then, if the Operator complains, these samples would be available.

Townsend: I feel that this would serve the purpose and would provide the necessary information to protect the Government's interest.

Knouse: If you would like for me to carry the ball further and advise you definitely on this question, I will teletype you a definite answer.

Townsend: No, I believe you have furnished the answer.

F. L. Knouse

FLKnouse/izm
cc: Mr. Knouse

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
August 6, 1958

(VIA AIR MAIL)

8/8 C 220
cc 700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Alternate Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

Confirming my understanding of matter discussed with Mr. F. L. Knouse by telephone today, it is understood that we will prepare invitation to bid for processing and analysis of material from the holes drilled under the subject contract and analysis of our split of concentrates from material recovered from test pits which was beneficiated by the Operator.

The beneficiation interval in the Beaver Creek Area is to be from 0 to 12 feet and from 12 feet to the bottom of each hole, thus providing two separate samples for beneficiation and analysis for content of tin, columbium-tantalum, tungsten, and gold for each of the nine holes.

In the Bear Creek Area, the beneficiation interval will be from 0 to 6 feet and from 6 feet to 12 feet, thus also providing two samples for each of the nine drill holes, which are to be beneficiated separately and resulting concentrates analyzed for content of tin, columbium-tantalum, tungsten, and gold.

In addition, the Government split of concentrates forwarded by the Operator, resulting from the beneficiation of test pit materials, will also be analyzed for content of tin, columbium-tantalum, tungsten, and gold. However, until Mr. Binyon returns from a field trip, we are unable to supply the information requested by Mr. Knouse as to the possible split of concentrate samples from the test pit material. That information will be forwarded by teletype as soon as obtained.

Also, information on three specific questions posed by Mr. Knouse will be forwarded as soon as obtained.

J. W. Townsend

J. W. Townsend

224 New Customhouse
Denver 2, Colorado
August 6, 1958

(VIA AIR MAIL)

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, N. Y.

Re: Docket No. DMEA 654 (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District) Lawrence County, South Dakota

Dear Miss Keenan:

In preparation of the bid invitation for the beneficiation of the material from the churn drill holes and analysis of concentrates therefrom, it has come to our attention that the holes in the Bear Creek Area were drilled several feet into the bed rock for some not presently apparent reason.

Subsequent test pits sunk in the area indicated the bed rock to be from 6-1/4 feet to 7 feet in depth. Therefore, in processing the material from the holes in the Bear Creek Area, only the material from the sample intervals of 0 to 6 feet and 6 feet to 12 feet will be concentrated. The material from each interval will be concentrated separately and analyzed for content of tin, columbium-tantalum, tungsten, and gold.

Should you have use for the remaining portion of the Bear Creek drill hole samples, they will be returned to the project, provided you agree to payment of 10 percent of the transportation costs.

Since you have failed to have the concentrates from the test pit material analyzed as provided for in the contract, we will proceed to have the Government's portion of the concentrates forwarded by you analyzed and the results thereof will be charged to the project. It is to be understood that the Operator must bear its proportionate share of the expense of the analysis of test pit concentrates as provided for in the contract.

JWT:prl
cc:Chmn.Op.Comm.-2 (via air mail)
Harshman
DMEA/DFC-Binyon
Corres.
Cooper
Chron.

Very truly yours,
Original signed by
J. W. TOWNSEND
J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/6/58	Knouse	700
		225

August 6, 1958

Memorandum

To: The File

From: F. L. Knouse, Acting Director
Division of Rare and Miscellaneous Metals

Subject: Telephone call to J. W. Townsend, Region III
Docket No. DMEA-654 (Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Knouse: I have this controversial case here of Northwest Defense Minerals, DMEA-654, I want to talk to you about.

We have studied over your letter, dated July 30, with attachments, and there are some points we would like to discuss. Please get someone on the line who can take dictation because I have a number of questions to ask you.

Townsend: Just a second. All right, now.

Knouse: If the drill hole cuttings and test pit material were saved at intervals so that one concentrate could be produced for the interval from the surface to a few feet above bedrock and another concentrate for the next interval, including the bedrock and the additional bedrock penetrated by the drill hole and/or test pit, would it furnish the necessary information provided the concentrate was then analyzed for tin, columbium-tantalum, tungsten, and gold?

Townsend: On Beaver Creek the drilling is so that the samples could be processed as you described.

On Bear Creek we could cut off the top sample at 6 feet where the bedrock is 6 feet or a little deeper, and the second sample interval would include and penetrate into the bedrock section. That only applies to the Bear Creek area. That is the area we are greatly concerned about because they drilled so far into bedrock.

8623

August 6, 1952

Memorandum

To: The File

From: R. L. Knowse, Acting Director
Division of Rare and Miscellaneous Metals

Subject: Telephone call to J. W. Townsend, Region III
Docket No. DMEA-654 (Tin, columbium-tantalum, tungsten)
Contract No. Idm-458
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Knowse: I have this controversial case here of Northwest Defense Minerals, DMEA-654. I want to talk to you about.

We have studied over your letter, dated July 30, with attachments, and there are some points we would like to discuss. Please get someone on the line who can take dictation because I have a number of questions to ask you.

Townsend: Just a second. All right, now.

Knowse: If the drill hole cuttings and test pit material were saved at intervals so that one concentrate could be produced for the interval from the surface to a few feet above bedrock and another concentrate for the next interval, including the bedrock and the additional bedrock penetrated by the drill hole and/or test pit, would it furnish the necessary information provided the concentrate was then analyzed for tin, columbium-tantalum, tungsten, and gold?

Townsend: On Beaver Creek the drilling is so that the samples could be processed as you described.

On Deer Creek we could cut off the top sample at 6 feet where the bedrock is 6 feet or a little deeper, and the second sample interval would include and penetrate into the bedrock section. There only applies to the Deer Creek area. That is the area we are greatly concerned about because they drilled so far into bedrock.

Knouse: What is the next sample interval in the Bear Creek holes?

Townsend: The next sample interval is 6 to 12 feet.

Knouse: Then you wouldn't process the material to the bottom of the hole?

Townsend: No, it would not give us a good picture of the values as the material below bedrock would dilute the values. I am sure all the fellows here would feel we would get better information from the drill hole samples if they are processed as you suggested.

Knouse: This would mean two samples would be analyzed for each drill hole and/or test pit, and the contract provides for only one analyses excluding gold. If, after you check these data on material from the drill holes and the sample splits recovered from the test pit, you find this procedure could be followed and the Field Team approves this procedure, or an alternate method is recommended, let us know so that it can be incorporated in the Termination Agreement.

Townsend: Were you intending that we have the test pit samples split and samples analyzed on the same basis?

Knouse: Yes, if you can make the split.

Townsend: No; the test pits are just one composite concentrate, with fractions from the jig, so the samples could not be separated on the same basis. Only one sample from each test pit should be analyzed. The Beaver Creek area (9 holes) - those holes were drilled O.K. They vary from 19 to 19.3, 19.4, 16.6, 16.7 foot depth to bedrock and the sample intervals are 0 to 6 feet, 6 to 12 feet, 12 feet for the balance of the holes.

Knouse: Then two samples could be processed and analyzed from each of the holes as we discussed?

Townsend: Yes.

Knouse: So then, the two top sample intervals could be combined and processed and the bottom sample interval processed into one sample?

Townsend: Yes. I will give you the nine hole sample intervals for Beaver Creek:

Hole No.

1	0' to 6'	6' to 12'	12' to 18'
2	0' to 6'	6' to 12'	12' to 19'
3	0' to 6'	6' to 12'	12' to 18'
4	0' to 6'	6' to 12'	12' to 19'
5	0' to 6'	6' to 12'	12' to 16'
6	0' to 6'	6' to 12'	12' to 16'
7	0' to 6'	6' to 12'	12' to 18'
8	0' to 6'	6' to 12'	12' to 17'
9	0' to 6'	6' to 12'	12' to 17'

On the Beaver Creek area I was assured by Mr. Binyon that those holes are in good shape, but on the Bear Creek area they went completely haywire. I can give you these samples so you can see what the picture is:

Hole No.

1	0' to 6'	6' to 12'	12' to 18'	18' to 21'
				21' to 22½'
2	0' to 6'	6' to 12'	12' to 18'	18' to 23'
3	0' to 6'	6' to 12'	12' to 18'	18' to 24'
				24' to 26½'
4	0' to 6'	6' to 12'	12' to 18'	18' to 22'
5	0' to 6'	6' to 12'	12' to 18'	18' to 22'
6	0' to 6'	6' to 12'	12' to 18'	18' to 24'
				24' to 30'
7	0' to 6'	6' to 12'	12' to 18'	18' to 24'
				24' to 30'
				30' to 34'

On hole 7, they later determined that bedrock was at 8 feet.

8	0' to 6'	6' to 12'	12' to 18'	18' to 20'
9	0' to 6'	6' to 12'	12' to 15'	

Bedrock was at top of second sampling interval. First interval 0-6 and possible 6-12 will be the only ones worth anything at all.

Knouse: You feel that the two samples, if processed and analyzed for those intervals would give us the picture we desire?

Townsend: Yes. Beaver Creek, according to Binyon, the test pits were at bedrock at 6-1/4 and 7 feet.

Knouse: This processing procedure would eliminate processing the excess material recovered from over-drilling into the bedrock on Bear Creek; therefore, the Operator should be advised accordingly.

Townsend: Yes, they are separated into different containers.

Knouse: Also, you should advise the Operator that the excess material will be returned to the property provided it will pay its pro rata share of the transportation cost.

Townsend: All right.

Knouse: One sample was analyzed from the bedrock cleanup from the test pit on Beaver Creek; therefore, this work should not be duplicated.

Townsend: That's right. However, I don't remember offhand whether or not the concentrate was split, but believe it represents about a foot in the one pit on Beaver Creek.

Knouse: Also, since the Operator did not have the concentrates analyzed from the ~~other~~ sample splits recovered from the test pits, excluding the one mentioned, these concentrates should be analyzed, and you should advise the Operator what is being done.

Townsend: Would that be incorporated into the Termination Agreement? Would it be necessary to ask her agreement on it?

Knouse: The Termination Agreement will provide that the cost for the necessary analytical work, transportation of samples, and the processing will be provided for out of remaining funds in the contract. In other words, the necessary funds for transporting, processing, and analyzing the samples from the drill holes and the analysis of the remaining samples from the test pits will be provided for.

Townsend: What will be the apportionment of those funds? We don't know where to charge the cost for this work.

Knouse: That will be taken care of in the Termination Agreement.

Townsend: We can charge them anywhere we want them?

Knouse: The Termination Agreement will ~~take care of that problem~~ indicate how charges can be made.

Knouse:
(contd.) If the recovered material from the drill holes and concentrate splits (processed and forwarded by the Operator from the test pits) can be processed and analyzed as I have described, you should obtain and forward bids covering this work. Also teletype us the amount of the lowest bid as early as possible.

Townsend: I have been waiting for information from you before I prepared the bids.

Knouse: I understand your delay.

Townsend: Do you want me to forward copies of the bids?

Knouse: Yes, and teletype the amount of the lowest bid as as soon as possible.

Townsend: For approval?

Knouse: Yes, but we would like to ~~know~~ have prior advice concerning the amount of the lowest bid, and we would like copies of the bids.

The bids to do this work should be more realistic than the estimated cost to transport the drill hole material from the property to Denver.

Townsend: We had no knowledge of the weight, and the samples were all in cans that increased the cost.

Knouse: The "Flow Plan: submitted with your letter for processing the recovered drill hole material can be incorporated in the Termination Agreement, modified to provide for gold assaying.

Townsend: That's fine, then I'll use that as an exhibit in the bid invitations.

Knouse: Binyon's memo of July 28 states that considerable over-drilling into the bedrock was done on Bear Creek. We will need a memorandum to clarify the records that answers the following questions:

1. Was the drilling supervised by the Operator's supervising engineer?

2. Were the holes drilled deeper than was provided for in the contract, and does the Field Team recommend payment for this over-drilling?

Townsend: No one from our end ~~of it~~ could determine that. There was no way to determine that on the once-a-month visits to the property.

The over-drilling has already been paid for, all of it. Binyon is out on a field trip and the first opportunity I have to discuss it with him, I will send you a memo on it.

There was only 8 feet allowed for Hole No. 7 because they could determine the cutoff (bedrock) a little more accurately. (Bear Creek area)

Knouse: You feel that the program described to you will be to the best interest of the Government in obtaining the results ~~of this program?~~ for this project.

Townsend: Yes.

Knouse: Thank you very much.

F. L. Knouse

Mr. George Selleridge

CONFIDENTIAL COPY DMEA RECEIVED AUG 5 1958		
DATE	INITIALS	CODE
8/5/	J. G.	525
"	FLK	700

DN 235 BUR MINES 8-4-58 9-55

CHAIRMAN OPERATING COMM. DMEA

REURTT 8-4-58 DOCKET DMEA 654, CONTRACT IDM-E58., NORTHWEXXXXX NORTHWEST DEFENSE MINERALS, INC. DATE RECOMMEDXXX RECOMMENDED FOR INSERTION IN ITEM 3 OF PROPOSED TERMINATION AGREEMENT IS NOVEMBER 1, 1958. WE WILL ANSWER OPERATORS LETTE XX LETTER REGARDING FUNDS THAT WILL BE RELEASED. WE WILL APPRECIATE ADVICE AS SOON AS POSIXX POSSIBLE CONCERNING THE PROCESSING OF CHURN DRILL SAMPLES.

J W TWXXX TOWNSEND

Denver, Colo.

AUG 7 1958

	ARTICLE	CODE
8/7	H.J.	225
8/7	[illegible]	800
8/7	~~7 24K~~	700

324 New Customhouse
Denver 2, Colorado
August 4, 1958

Miss Peggy Sheehan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, N. Y.

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten), Contract No. [illegible],
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Sheehan:

Reference is made to your letter of July 24, 1958, regarding the proposed TERMINATION AGREEMENT and reimbursement for work performed to date.

In the matter of the Termination Agreement, we will further advise you in a few days regarding an extension of the termination date.

Concerning reimbursement to you on work performed to date, when the Termination Agreement has been signed and returned to this office, we will then be in a position to process your accounting report covering the period from October 4, 1957 through November 3, 1957. A tentative review of the report indicates that a part of the expenses claimed are not allowable under the provisions of the contract. Reimbursement on the balance of about $700.00 will not be made until the following have been accomplished:

1. Receipt in this office of the results of analyses of the concentrates from processing the test pit material.

2. Until the churn drill sample material has been processed and the concentrates analyzed, in order to determine the extent of the Operator's portion of the costs of processing and analyses.

3. Until the Operator has submitted its final report in conformance with Article 14 of the contract form; five copies of the report now being required instead of the four noted in Article 14.

4. Until the Operator's accounts have been audited by a DOSA auditor and a Report of Audit released to this office. The audit cannot be scheduled until all matters under items 1, 2, and 3 above have been resolved.

Further in regard to reimbursement on costs of work performed, it is the policy of this office that a minimum of $500.00 of reimbursement to the Operator is deferred pending receipt of the Operator's final report. In this particular case, it is necessary that sufficient additional funds be withheld from reimbursement to you on work completed to offset the Operator's portion of transportation, processing, and analysis costs of the shore drill sample material. Any amounts above what we consider is necessary for these purposes, which become due and payable to you, you can be assured that reimbursement will be made.

We trust that this will answer your inquiries of July 24. If not, we will attempt further clarification.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DOSA Field Team, Region III

JWT:prl

cc: Chem. Op. Comm. (2)
Harshman
DOSA/EPC(Binyon)
Corres. file
Cooper
Chron.

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 4 1958
DATE | INIT. | COPY
8/4 | H.g. | 225
, | FCK | 200

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
July 30, 1958

Memorandum

To: Chairman, Operating Committee, DMEA

From: DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Rawlins Mining District), Lawrence County, South Dakota

Enclosed are the following, pertaining to the subject contract:

(a) The original and one copy of the Operator's letter of July 24, 1958.

(b) Two copies of a tabulation showing status of project funds as originally apportioned.

(c) Two copies of a memorandum, dated July 16, 1958, from E. O. Binyon, Mining Engineer, Bureau of Mines, which is in reference to processing the drill hole samples.

(d) Two copies of a memorandum, dated July 28, 1958, from E. O. Binyon, Mining Engineer, Bureau of Mines, also relative to processing the samples.

(e) Two copies of a flow sheet which we propose to submit for bids for processing of the churn drill sample material.

In reference to the Operator's letter, under item (a) above, the matters are discussed below in the order itemized in the Operator's letter:

1. The Operator's accounting report, covering the work performed in 1957, cannot be processed until the TERMINATION AGREEMENT is executed, as noted in the last paragraph on the first page of our memorandum to you, dated May 23, 1958. Furthermore, we are

still of the opinion that the entire amount of Government participation in those costs should be withheld to cover the Operator's portion of the sample processing cost and to provide some leverage to force the Operator to render its final report. For other prior correspondence in the matter, you are referred to the memoranda from this office, dated March 17 and May 21, 1958.

2. Regarding the termination date, the Operator is apparently referring to item 3 of the Termination Agreement relative to Government contribution to the cost of winding up operations. It is assumed that the analytical work is to be considered as a part of the winding up operations. The Operator is definitely at fault for not having completed the analytical work on the test pit concentrates. However, as the Operator was not made aware of the provisions of the Termination Agreement until after July 24, 1958, we recommend that the time fixed during which the Government will contribute to the allowable costs of winding up operations be extended from August 1, 1958 to November 1, 1958.

3. The analytical work is a separate item in the contract, for which reimbursement cannot be made until the work has been accomplished and an appropriate accounting report is received from the Operator. Also, the test pit sample concentrates must be analyzed and the results furnished to us before we would be willing to reinstate the previously suspended costs of 6-1/4 feet of test pit sinking. why?

4. No action or reply necessary.

Referring to the tabulation under item (b), it cost $537.24 to have the churn drill hole samples transported to Denver Federal Center for temporary storage while bids are being obtained for processing of the material. It may cost as much as an additional $100.00 to have the material moved to the site of the successful bidder.

As you will note in the tabulation, there may be sufficient funds remaining under "Analysis" to pay for such in conjunction with processing the material. However, there definitely are not sufficient

funds under "Contingencies," plus the small amount under "Drilling" of the eighteen holes, to cover processing costs. It appears that the "Estimate of Costs" in the contract will have to be amended or adjustments made to provide additional funds specifically to cover the processing costs.

The bids referred to in Mr. Binyon's memorandum of July 16, under item (c), were verbal estimates; therefore are not considered as firm commitments. Regular bid invitations are in process of preparation and will be circulated upon receipt of advice from you after you review this letter.

Referring to the memoranda from Mr. Binyon, under items (c) and (d), he is of the opinion - in which we agree - that processing of the material from the drill holes in the Bear Creek Area will not give conclusive results on which to base ore reserves value or tonnage computation, because of the erratic nature of the samples. Also, the practical approach would be to process and analyze the sample material on short sample intervals, which would permit a determination as to the most valuable portion of the gravel. However, such is not provided for in the contract.

You may consider that we have obligated the Government to process all of the drill sample material from both areas, since we have taken it from the Operator. However, if possible, it is recommended that we forego further work or expense in conjunction with the drill hole samples, especially those from the Bear Creek Area. In addition, since the Operator is delinquent in performing the analytical work on the test pit sample concentrates, it is recommended that the Government have the analysis made from its split of the test pit concentrates and that the Operator be charged for its portion of the costs by deducting from future reimbursement.

Why work & not before

advise operator

In reference to the flow sheet, under item (e), the process deviates slightly from contract provisions. If we are to continue with the processing of the material from at least the Beaver Creek Area, do you consider it necessary to amend the contract provisions contained in Exhibit "A" to Amendment No. 3, which was subsequently amended by Amendments Nos. 8 and 12?

You will note in Mr. Binyon's memorandum of July 28 that he recommends that the contract be amended to permit analysis for gold, in which this office concurs, as it is believed to simplify procedures and provide more accurate results.

?

As the matters relative to the Termination Agreement require action by your office, we are referring the Operator's letter to you

for consideration and reply, in entirety, direct to the Operator, as we believe a reply from your office will have greater effect.

When you have reviewed the matter, we will appreciate your comments and/or advice as to how we should proceed.

J. W. Townsend

E. N. Harshman

Enclosures

W.O.

Northwest Defense Minerals, Inc.

Spearfish, South Dakota
Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 4 1958

DATE	INITIALS	CODE

New York, N.Y.,
July 24, 1958

DMEA
DEPARTMENT OF THE INTERIOR
JUL 25 1958
REGION III
DENVER, COLORADO

CERTIFIED AIRMAIL

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U.S. Department of the Interior,
224 New Customhouse,
Denver, Colorado.

Dear Mr. Townsend:

Your letter dated July 21, 1958 just received with enclosed four copies of Termination Agreement dated April 2, 1958.

Northwest Defense Minerals, Inc. is ready to sign the Termination Agreement. Because of the delay in transporting the churn drill hole samples by Buckingham, due to snow and bad roads, causing the lapse of time between April 2 and the effective date of August 1, 1958 (which date is now at hand), we wish to call your attention to the impossibility of performing paragraphs 3 and 4 of the Termination Agreement by August 1, 1958. Although we are ready to sign the Termination Agreement, our corporation first wishes to be advised on the following points:

1. After signing the agreement and transmitting it, when and how much of the 1957 agreed reimbursable funds is the Denver DMEA going to release to Northwest Defense Minerals, Inc. ?

2. What is the DMEA going to arrange as a Termination date in view of all the facts and loss of time between April 2, 1958 and August 1, 1958 ?

3. The corporation has waited for months for the 1957 reimbursable expenditures. The assays as per agreement and report 4 on the caisson gravels have not been made as yet. This expenditure is a reimbursable item. What do you advise about this ?

4. The operator, Peggy Keenan, is in New York to receive funds for operating capital. As the only person having access to the records,it is necessary to be in South Dakota to arrange wind-up work. We expect to be in Spearfish about September 15, 1958. We spoke to Mr. Knouse, DMEA, Washington, D.C., and he advised this letter to be sent at once.

Please arrange extension and advise on reimbursement of 1957 expenditures.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan.

Peggy Keenan,
President.

PK-r

cc. Mr. Knouse, DMEA
Washington, D.C.

Idm-E58
DMEA 654X
Northwest Defense Minerals, Inc.

STATUS OF PHASE II UNITS AND COSTS AS OF 7/29/58

Item	Total Authorized		Acceptable Units and Costs: Acceptable units and costs reimbursed to date ($100.00 withheld)		Acceptable Units and Costs: Acceptable units and costs reported but 1/ not yet reimbursed		Acceptable Units and Costs: Total acceptable units and costs		Balance	
	Units	Costs	Units	Costs	Units	Costs	Units	Costs	Units	Costs
Churn Drilling	1600'	$ 8,800.00	348.5'	$1,742.50	0	$ 0.00	348.5'	$1,742.50 2/	1251.5'	$ 7,057.50 2/
Test Pits	180'	4,500.00	25.25	631.25	6.25 3/	156.25 3/	31.5'	787.50	148.5'	3,712.50
Supervision	100 Days	5,000.00	37 D.	1,850.00	13.5 D.	675.00	50.5 D.	2,525.00	49.5 D.	2,475.00
Gas & Oil		350.00		178.14		30.71		208.85		141.15
Truck Rental		560.00		0.00		0.00		0.00		560.00
Meals - Quarters		5,496.00		773.94		11.04		784.98		4,711.02
Travel		1,000.00		308.92		0.00		308.92		691.08
Analyses	89 spls	2,225.00	6	338.00	0	0.00	6	338.00	83 spls.	1,887.00
Contingency		2,000.00		1,141.35		537.24 4/ ?		1,678.59		321.41
TOTALS		$29,931.00		$6,964.10		$1,410.24		$8,374.34		$21,556.66

1/ Includes costs reported on Form MF-104 for the period from October 4, 1957 through November 3, 1957, processing of which is deferred pending execution of the proposed Termination Agreement

2/ Only $174.25 available for processing of churn drill samples within maximum allowance unit cost of $5.50/ft. for 348.5 ft.

3/ 6.25' test pitting previously disallowed, but acceptable upon receipt of analytical results for balance of Test Pit samples ?

4/ Cost of transporting churn drill samples to Denver - Commercial B. L. converted to Govt. B. L.

DMEA
DEPARTMENT OF THE INTERIOR

REGION III

JUL 30 1958
REGION III
DENVER, COLORADO

Building 20
Denver Federal Center
Denver 2, Colorado
July 28, 1958

Memorandum

To: Acting Alternate Executive Officer, DMEA Field Team, Region III

From: E. G. Binyon

Subject: Docket DMEA 654 (Tin, Columbite, Tantalite, Tungsten) Contract Idm-B58 Northwest Defense Minerals, Inc. (Rawlins District) Lawrence County, S. Dak.

The churn drill hole samples from the holes drilled by the operator on Bear and Beaver Creeks were received by the Bureau of Mines July 7, 1958. In checking the samples it was noted that three samples, two from Hole 6, Bear Creek, (intervals 6 to 12 and 24 to 30 feet) and one from hole 9, Bear Creek (interval 12 to 15 feet) were missing. Also two of the samples, one from Hole 1, Bear Creek, (interval 18 to 22½ feet) and one from hole 3, Bear Creek, (interval 18 to 26½ feet) are apparently labeled incorrectly and should be 21 to 22½ feet for the sample from hole 1 and 24 to 26½ feet for the sample from hole 3.

In the opinion of the writer there is some doubt as to whether the samples from the holes on Bear Creek should be concentrated, inasmuch as it is believed that all nine holes were drilled into the bed rock from a minimum of 8 feet to over 20 feet in some of the holes. This over drilling was in part due to the softness of bed rock, the inexperience of the driller and operator, and the fact that the churned gravel samples were difficult to distinguish from the churned bed rock.

After the holes had been drilled, a test pit located approximately 25 feet north of the row of holes was sunk to a depth of 6.25 feet where it encountered bed rock. The operator's engineer, however, claimed that the pit had encountered a reef or ridge or a large boulder and not true bed rock. In order to determine the true depth, another pit located a few feet south of the row of holes between holes No. 1 and No. 4 was sunk to a depth of 7 feet where bed rock was again encountered. Based on the depth of the test pits, it is apparent that the samples from the intervals below 7 feet in the holes are worthless and as the samples were taken in 6 foot intervals, the next lower or 6 to 12 foot interval would include 5 to 6 feet of valueless bed rock. The only samples of any value are from the 0 to 6 feet interval in the holes and to combine all samples and use the combined sample for concentration would give entirely erroneous results.

It is therefore recommended that the samples from the churn drill holes on Bear Creek not be concentrated. However, should it be decided to process these samples, then it is suggested that only the samples from the 0-6 feet interval in the 9 holes be used. The samples from the holes on Beaver Creek were correctly taken and if concentrated, the results could be used in calculating value and yardage.

It is further recommended that the alternate acceptable Flow Plan shown on the accompanying drawing be used for concentrating the samples, if it is decided that the work is warranted.

It is noted that the contract specifies that "The contained tin, tantalum, columbium, tungsten, gold and other metals shall be concentrated by panning and the free gold values separated and estimated as value per cubic yard." It is suggested that the contract be amended to delete this clause and to permit assaying for the gold as well as tin, etc. instead of estimating its value. The added cost at $1.50 per sample would be negligible and the results would be reliable.

In considering the cost of the processing, (at least $2,000.00 not including the cost of transportation to the processer) and the value of the results for computing yardage and value of the placers, it is believed that the processing is not warranted and that it would be advisable to terminate the contract.

E. O. Binyon
Mining Engineer

EOB/mw
cc: 9
Idm+E58
Chron

DMEA
DEPARTMENT OF THE INTERIOR

JUL 17 1958
REGION III
DENVER, COLORADO

AUG 4 1958

REGION III

Building 20
Denver Federal Center
Denver 2, Colorado
July 16, 1958

Memorandum

To: Alternate Acting Executive Officer, DMEA Field Team, Region III

From: R. O. Binyon

Subject: Docket DMEA 654 (Tin, Columbite-Tantalite-Tungsten) Contract Idm-858
Northwest Defense Minerals, Inc. (Rawlins Mining District)
Lawrence County, South Dakota -- Concentration Tests of Churn
Drill samples from Bear and Beaver Creeks

Up to date the operator has completed concentration tests on the gravel excavated from the pits on Bear and Beaver and only the samples from the 9 churn drill holes on Bear Creek and 9 on Beaver Creek remain to be concentrated.

Under Amendment No. 3, Exhibit "A" (Amendment) Phase II the work set up was designed to test the gravel on 70 fists Placer on Bear Creek and Placer 392, Upper Beaver Creek and W. O. Fillmore extension contiguous to Placer 392. As stipulated the first row of holes and one test pit to check the holes were to be drilled and dug as an initial test of these areas. If the results warranted, additional drilling and test pitting was to be done at intervals of 1500 to 2000 down each creek.

The samples of gravel from the pits on both creeks have already been concentrated by the operator and these samples are, in my opinion, more representative of the gravel than the samples from the churn drill holes. This is particularly the case for the samples from the holes on Bear Creek, most of which penetrated bed rock for a considerable distance and therefore make the samples worthless. Since the gold values recovered by the concentration tests were too low to be economic (32.9 cents per cu. yd. (gold value only) from bed rock in the Beaver pit, the highest value, and 3.59 cents per cu. yd. (gold value only) from the lower part of the Bear Creek pit, the lowest.) it is believed that concentration of the churn drill hole samples which are practically worthless for evaluating the advisability of further work should not be done and expenditure of $2,000 to $2,500 for concentrating these samples does not appear to be warranted.

However should it be considered advisable to have the samples concentrated the following data on cost and flow sheet is presented.

Bids for processing the gravel were obtained from three firms:

	Processing	Analytical	Total
Humphrey's Gold Corp.	$1500	$500	$2000
A. T. Sweet	2450	550	3000
Colorado School of Mines Research Foundation	3000	2200	5200

Since Humphrey's Gold Corporation submitted the lowest of the three they were contacted by telephone May 16, 1958 and requested to submit a flow sheet for the proposed test work. A copy of their reply and the proposed flow sheet are attached.

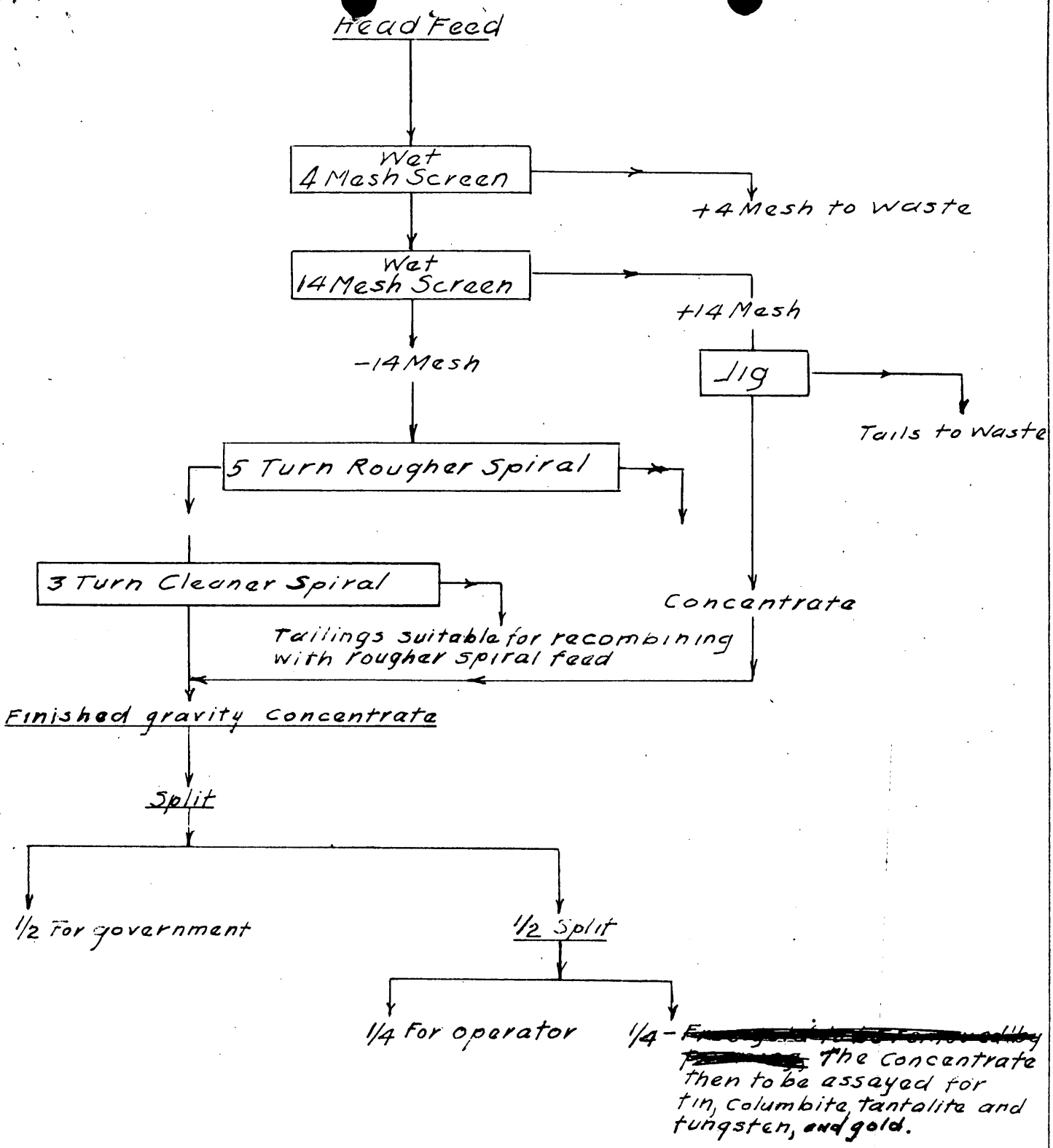
In the flow sheet submitted by Humphrey two changes have been made from the flow sheet authorized by the amended contract. These are

1. 2 screens, 4 and 14 mesh, are substituted for the trommel and classifier.
2. 2 spiral units, 1-5 turn and 1-3 turn, are used instead of the 1 unit in the operator's flow sheet.

The flow sheet proposed by Humphrey, while not conforming to the contract, will, in my opinion, work as well if not better than that approved under the amended contract. It is recommended that, if it is necessary, the contract be amended or an approval be granted to use this flow sheet for concentration of the samples.

E. O. Binyon
Mining Engineer

EOB/mw
cc: 9
16m-158
chron



Acceptable Alternate

Flow Plan

Northwest Defense Minerals, Inc.

Lawrence County, South Dakota

Docket DMEA 654 Contract Idm-E58

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 4 1958

DATE	INITIALS	CODE

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
8/1/58	Knouse	700
"	Chamberlin	800
	Martin	130
8/1	Johnson	110
1	Kirkbride	100
8/4	H.S.	220
		700

AUG 4 1958

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

T E L E T Y P E

J. W. TOWNSEND
ALTERNATE ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REURLET JULY 29 TO OPERATOR DMEA-654 NORTHWEST DEFENSE MINERALS, INC. SUGGEST YOU ANSWER OPERATOR'S LETTER DIRECT REGARDING FUNDS THAT WILL BE RELEASED. ALSO ADVISE US THE DATE YOU RECOMMEND FOR INSERTION IN ITEM 3 OF PROPOSED TERMINATION AGREEMENT IN LIEU OF AUGUST 1, 1958. THEN WE WILL PREPARE AGREEMENT AND FORWARD TO OPERATOR.

FLKnouse/gla
8-1-58

W. S. Martin
ACTING CHAIRMAN, OPERATING COMMITTEE

cc to: Admr.'s Reading File
Operating Committee
FLKnouse
Confirmation to Region III

8623

OFFICIAL FILE COPY
DMEA
RECEIVED AUG 1 1958

DATE	INITIALS	CODE
8-1	C	220
8/1	[illegible]	800
"	[illegible]	700

224 New Customhouse
Denver 2, Colorado
July 29, 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, N. Y.

Re: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten)
Contract No. 14m-258
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Receipt is acknowledged of your certified air mail letter of July 24, 1958, pertaining to the proposed TERMINATION AGREEMENT, which was forwarded for your signature.

Since the questions posed are in large part in conjunction with the Termination Agreement, which was prepared in Washington, we are assembling information for them and will refer your letter to the Washington Office for a direct reply to all questions posed, on which you should hear at an early date.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JWT:prl

cc: Chmn. Op. Comm. (2)
Barnhman
DMEA/RFC (Binyon)
Corres. file
Cooper
Chron.

Excerpt from Mr. Mittendorf's diary, 7/29/58:

Broadgate first called this afternoon for information about Northwest Defense Minerals, Inc. (NDMI-65), which is our old friend Peggy Keenan. He said the secretary of the company does not know what is going on. He knows SEC is breathing down the neck of Peggy Keenan.

In her financing scheme, which did not have to be approved by SEC because it was under $300,000, she said in her prospectus that the funds from the first sale of stock would be used to pay off her creditors who had been issued preferred stock. After this was accomplished, additional funds would be used for the development of the property. She has sold stock and spent funds on the property, but no creditor has received a cent.

Bill wanted to know if the project had been certified. I told him it had not and that we are awaiting the results of the samples, which still have to be processed.

He was interested in knowing if any work under Stage 3 had been completed. I told him none had.

7/25 C 220
7/25 74C 800
700

New York, N.Y.,
July 24, 1958

CERTIFIED AIRMAIL

Mr. J. W. Townsend,
Alternate Acting Executive Officer,
DMEA Field Team, Region III,
U.S. Department of the Interior,
224 New Customhouse,
Denver, Colorado.

Dear Mr. Townsend:

Your letter dated July 21, 1958 just received with enclosed four copies of Termination Agreement dated April 2, 1958.

Northwest Defense Minerals, Inc. is ready to sign the Termination Agreement. Because of the delay in transporting the churn drill hole samples by Buckingham, due to snow and bad roads, causing the lapse of time between April 2 and the effective date of August 1, 1958 (which date is now at hand), we wish to call your attention to the impossibility of performing paragraphs 3 and 4 of the Termination Agreement by August 1, 1958. Although we are ready to sign the Termination Agreement, our corporation first wishes to be advised on the following points:

1. After signing the agreement and transmitting it, when and how much of the 1957 agreed reimbursable funds is the Denver DMEA going to release to Northwest Defense Minerals, Inc. ?

2. What is the DMEA going to arrange as a Termination date in view of all the facts and loss of time between April 2, 1958 and August 1, 1958 ?

3. The corporation has waited for months for the 1957 reimbursable expenditures. The assays as per agreement and report 4 on the caisson gravels have not been made as yet. This expenditure is a reimbursable item. What do you advise about this ?

4. The operator, Peggy Keenan, is in New York to receive funds for operating capital. As the only person having access to the records, it is necessary to be in South Dakota to arrange wind-up work. We expect to be in Spearfish about September 15, 1958. We spoke to Mr. Knouse, DMEA, Washington, D.C., and he advised this letter to be sent at once.

Please arrange extension and advise on reimbursement of 1957 expenditures.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan

Peggy Keenan,
President.

PK-r

cc. Mr. Knouse, DMEA
Washington, D.C.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
7-24	Knouse	700

July 24, 1958

Memorandum

To: The File

From: F. L. Knouse, Acting Director
Div. of Rare & Miscellaneous Metals

Subject: Telephone Call - Peggy Keenan (N.Y.)
Docket No. DMEA-654

Keenan: I have just received the Termination Agreement from your Denver, Colorado office, dated April 2, 1958, for execution. I am ready to execute this document but notice under Item 3 of the agreement that I have only until August 1, 1958 to complete the winding-up action including the final geological and engineering report. Also, I notice that the agreement does not state when the money will be paid for the work we did during 1957 as well as the amount that will be released.

Knouse: I can understand that since you just received the agreement that you will not be able to complete the final report and other requirements of the agreement by August 1. Since the Denver office is handling the administration of this contract you should write them and explain that you are willing to comply with all the terms of the agreement except for the winding-up action provided the time to complete this action is extended; and give them a definite date you can complete this work. Also, ask them when they will release the funds for the work that was completed, and the amount of funds that will be released. You understand some funds will be withheld until the final report and other winding-up actions are completed.

Keenan: Yes, I understand funds will be withheld but the Denver office have already withheld $100 for winding-up action for work done during 1955, and I would like to know definitely what amount will be released if I sign the Termination Agreement and before the other winding-up action is completed.

Knouse: The Denver office will be able to answer all these questions when you write to them.

Keenan: I will write to them at once. Thank you.

F. L. Knouse

8623

COPY

7/14 C 200
7/14 800
7/15 ~~7/14~~ 700

25 New Customhouse
Denver 2, Colorado
July 11, 1958

CERTIFIED MAIL

Burlington Transportation, Inc.
Rapid City
South Dakota

Re: Project NUMA 6[illegible]
(Ore, Columbia-Hanston, Hampton)
Contract No. [illegible]
Northwest Uranium Minerals, Inc.
(Hanson Property)
Lawrence County, South Dakota

Gentlemen:

Our letter to you of June 16, 1958 requested that you check into the matter of accessibility of the Hanson Property in conjunction with our authorization for you to transport drill hole sample material from there to the Denver Federal Center.

Since considerable time has elapsed and we have neither received the material in question nor advice from you in the matter, please advise by return mail as to whether or not you are still interested in transporting the material to Denver as previously arranged for; if so, when the material can be expected.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
NUMA Field Team, Region III

RFK:
JWT:pl
cc: Chem. Op. Comm. (2)
Burkhart
NUMA/NFC (Mayron)
Curran, File
Geiger
Chron.

224 New Customhouse
Denver 2, Colorado
July 21, 1958

7:28 — 220
7/29 — 800
" — 700

CERTIFIED - AIRMAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA 654X (Tin, Columbium, Tantalum, Tungsten)
Contract Ida-858
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

The churn drill samples have now been transported from the project site to the DMEA office at Denver, therefore consistent with instructions from the Washington office we are enclosing the Government's, Audit, Finance Office, and Field Team copies of a Proposed TERMINATION AGREEMENT, which has been prepared to terminate the contract, effective November 1, 1957.

If the proposed Termination Agreement is satisfactory, all copies are to be signed by an official of Northwest Defense Minerals, Inc., authorized to sign such an instrument, the signer's title inserted, the corporate seal affixed, and all copies promptly returned to this office; upon receipt of which the "Operator's Copy" will be forwarded to you.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

Enclosures

JDC:hmh

cc: Chmn. Op. Comm. (2)
Marshman
DMEA/DPC (Binyon)
Corres.file, Reg. III
Cooper
Chron

[illegible] Ave Courthouse
Denver 2, Colorado
July 11, 1958

7/14	C	220
7/14	[illegible]	800
7/15	~~[illegible]~~	700

Miss Peggy Hansen
Belmont Plaza Hotel
New York 22, N. Y.

Re: Docket No. [illegible]
(Tin, Columbium-Tantalum, Tungsten)
Contract No. [illegible]
Northwest Refining Minerals, Inc.
(Hansen Property)
Lawrence County, South Dakota

Dear Miss Hansen:

Your letter of July 5, 1958 to Mr. E. O. Minyen was forwarded to this office for appropriate action.

Upon receipt of your letter of June 9, 1958, Buckingham Transportation, Inc., Rapid City, South Dakota, was again contacted regarding transportation of the drill hole sample material to Denver. However, to date the material has not been received and we are again contacting them regarding the matter.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III

JWT:yrl

cc: (Chron.Op.Comm.-2) w/copy of
Minyen Miss Hansen's
DMEA/RFC-Minyen letter of
Cooper July 5.
Serves. file
Chron.

New York, N.Y.
Belmont Plaza Hotel
July 5, 1958

Mr. E. O. Bunyon, Engineer
Bureau of Mines
Department of Interior
Federal Center
Denver, Colorado

Bunyon
#/JP

DMEA
DEPARTMENT OF THE INTERIOR
JUL 10 1958
REGION III
DENVER, COLORADO

Dear Mr. Bunyon:

On June 9, 1958, we wrote to the Administrator DMEA, Denver, Colorado, and referred to Mr. C. O. Mittendorf's letter of May 13, 1958. No answer has been received.

With reference to the Buckingham transportation delivering the churn drill hole samples to a destination designated by DMEA:

It is reported to us that the roads to the Northwest Defense Minerals, Inc. property have been open for two months and we have hoped the matter could be disposed of.

Since the reimbursement of the 1957 expenditures seem to be delayed by the status of the removed churn drill samples is it not possible for you to expedite the matter with current good weather prevailing?

We would appreciate the reimbursement at the earliest date. Please advise Belmont Plaza.

Yours very truly,
Northwest Defense Minerals, Inc.
Leo Keenan.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
6/24/58	Knouse	700
		[redacted]
6/25	[illegible]	130
"	[illegible]	110
"	[illegible]	100
6/26	[illegible]	220
		700

JUN 25 1958

Mr. J. W. Townsend
Alternate Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Townsend:

Referring to your letter of June 10, 1958, to Buckingham Transportation, Inc., Rapid City, South Dakota, concerning transportation of the sample material from the subject property to Denver, it is assumed that delivery has now or will soon be consummated.

Please advise us as promptly as possible whether the Field Team will recommend the issuance of a certification of discovery for this property.

Sincerely yours,

George C. Selfridge

Chairman, Operating Committee

APPROVED:

Frank D. Lamb

Member, Geological Survey

Thor H. Kiilsgaard

Member, Bureau of Mines

FLKnouse/gla
6-24-58

cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FLKnouse

8623

OFFICIAL FILE COPY
DMEA
RECEIVED JUN 12 1958

6/12 C 220
6/12 800
6/13 100

[illegible] New Customhouse
Denver 2, Colorado
June 10, 1958

Bullington Transportation, Inc.
Rapid City
South Dakota

Re: Docket No. DMA 634X
(Tin, Columbium-Tantalum, Tungsten)
Contract No. [illegible]
Northwest Refining Minerals, Inc.
(Bison Property)
Lawrence County, South Dakota

Gentlemen:

In reference to matter discussed in your letter of May 7, 1958, we today received a letter from Miss Peggy Hansen advising that road conditions in the area are now favorable for the transportation of the sample material to the Denver Federal Center, Denver, Colorado, as previously arranged with you.

We will appreciate it if you will check into the matter and advise us as to when we may expect to receive the material.

Very truly yours,

Original signed by
J. W. TOWNSEND

J. W. Townsend
Alternate Acting Executive
Officer, DMEA Field Team,
Region III

JWT:prl

cc: Chmn. Op. Comm.-2
Bureaus
DMEA/HQ-Kinyon
Correspd. file
Secretarial
Chrono.

w/copy of
Miss Hansen's
letter of
June 9.

Copy to files

Belmont Plaza
LEXINGTON AVENUE AT 49TH STREET NEW YORK 22, N.Y. PLAZA 5-1200

June 9, 1958

Administrator,
DMEA
Department of Interior
New Customhouse
Denver, Colorado.

Re: Docket No. DMEA 654, No. Adm-E58

Dear Sir:

With reference to a letter from Mr. C.O. Mittendorf, Administrator DMEA Washington, DC, dated May 13, 1958,

Mr. Mittendorf advised that a transportation company handling the matter of moving the churn drill samples from Northwest Defense Minerals Inc. had been delayed because of road conditions. Please be advised that reports from the area indicate road conditions favorable to this type transportation.

Could we therefore proceed as soon as possible and arrange reimbursement for 1957 expenditures.

The above address is our headquarters until further notice.

Very truly yours,
Northwest Defense Minerals Inc.
Mary Keenan Pres.

DMEA
DEPARTMENT OF THE INTERIOR
RECEIVED
JUN 11 1958
DENVER, COLORADO

NEW YORK — BELMONT PLAZA • ATLANTIC CITY — THE TRAYMORE AND [illegible] • WEST END, N. J. — [illegible]
BAL HARBOUR, MIAMI BEACH, FLA. — AMERICANA — [illegible]

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
May 23, 1958

DMEA
RECEIVED 26
DATE
5/26 C 220
" 700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X, (Tin-Columbium-Tantalum-Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Keenan Properties), Lawrence County, South Dakota

Enclosed are two copies of a letter dated May 14, 1958, from the subject Operator to Mr. James M. Riley, Mining Engineer, U.S. Bureau of Mines, Rapid City, South Dakota, requesting receipt for the five copies of a progress report and 18 test pit sample splits, which were delivered by the Operator to the Rapid City Office of the Bureau of Mines. Also enclosed are two copies of a relative memorandum dated May 19, 1958, from Mr. Riley to this office.

Five copies of the progress report were delivered to this office November 25, 1957, and the test pit sample splits have been received at the Denver Experiment Station. One copy of the progress report was forwarded to your office with our memorandum of March 17, 1958.

The Operator states that the processing of Form MF-104, Operator's Monthly Report and Voucher, for October 4, 1957, through November 3, 1957, is contingent upon delivery by the Operator to DMEA of a receipt for the progress report and the test pit sample splits. Apparently the Operator has been misinformed by its Washington representative.

In accordance with instructions contained in your letter of April 3, 1958, to this office, the Termination Agreement will not be presented to the Operator for execution until the churn drill samples are delivered from the project site to Denver. The Termination Agreement contains provisions which will make it possible to process the voucher for the period from October 4, 1957, through November 3, 1957; therefore, the Termination Agreement must be executed before the Voucher can be processed.

No action necessary.
See our letter of May 27 to Hartman. It is applicable to this memo as well as to preceding correspondence.
MC.

The Operator has indicated that the test pit concentrate samples will not be analyzed until reimbursement is received for the Government's share of the costs for the period October 4-November 3, 1957. For reasons previously outlined, we intend to withhold the entire amount due the Operator. This resolves into a confusing situation.

We request that your office inform the Operator that receipts are not required for the progress report and test pit sample splits, and also outline to the Operator the matters which are prerequisite to processing the voucher. A copy of your letter should be sent to Mr. Riley at Rapid City, South Dakota.

for E. N. Harshman

Enclosures

COPY

May 14, 1958

DMEA
DEPARTMENT OF THE INTERIOR
MAY 22 1958
REGION III
DENVER, COLORADO

Mr. J. M. Riley, Engineer
U. S. Bureau of Mines
Rapid City, S. Dak.

Dear Mr. Riley:

We are advised by our vice president, Mr. James E. Bacon, Washington, D. C. that the DMEA, Washington and Denver offices demand a receipt from our Corporation, signed by the Rapid City Bureau of Mines Engineer, that in November (I do not have the date here) 1957, the Bureau of Mines agency received the various concentrates gold samples and 5 copies of the report from me for the Denver office. I remember both Mrs. Slater and you spoke to me about the material delivered and we looked at some samples, but I do believe no receipt was given. The Denver DMEA refuses to reimburse our expenditures without our delivering this receipt. Would you please verify the record and advise at your earliest convenience, enclosing a receipt of what the boxes contained? I will be here 2 weeks longer.

I do hope you delivered 10 lbs. of BeO concentrate 10/23/56 to Mr. M. J. Donachie, formerly President of Beryllium Corp. He is very enthusiastic over our future in Keystone. He wants to do some work with upgrading the concentrates and wishes to meet you when we all return to South Dakota.

Please answer this letter.

Yours very truly,

NORTHWEST DEFENSE MINERALS, Inc.

/s/ Peggy Keenan

Belmont Plaza Hotel
Lexington Avenue at 49th Str.
New York 22, N. Y.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES

REGION III

RAPID CITY EXPERIMENT STATION

SCHOOL OF MINES CAMPUS
RAPID CITY, SOUTH DAKOTA

May 19, 1958

DMEA
DEPARTMENT OF THE INTERIOR
MAY 22 1958
REGION III
DENVER, COLORADO

Memorandum

To: W. H. King, Executive Officer, DMEA, Region III

From: Acting Superintendent, Rapid City Experiment Station

Subject: DMEA Docket No. 654-X, Contract E-58, Northwest Defense Minerals, Inc., Lawrence County, S. Dak.

We have received a letter from Miss Peggy Keenan, copy of which is enclosed, concerning a progress report and sample splits which she left at this office in November, 1957.

Our records show that we sent the five copies of the report to E. N. Harshman on November 21, and that the 18 sample splits were delivered to Mr. J. F. Shaw at the Denver Federal Center by Mr. Clarence M. Harrer. Our letter of transmittal indicates they were going by parcel post but Mr. Harrer stopped in the office on the way to Denver and they were sent by him instead.

Please advise us concerning the receipt Miss Keenan requests.

Jon Riley
J. M. Riley

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/26/58	Ching	700
"	Ellis	700
5/26	GCS	130
"	Jamison	110
"	Attorney	100
5/27	H.G.	220
		700

MAY 27 1958

Mr. E. N. Harshman
Acting Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Harshman:

The Operator's letter of May 14, enclosed with your memorandum of May 21, was meant for you. As you know, the Administrator's letter of May 13 requested the Operator to keep you informed regarding its address. Enclosed are two copies of the Operator's reply, dated May 16, 1958.

The Administrator's letters of April 3 and May 13 have explained the present status of the project to the Operator. Any attempt to explain the matters mentioned in the Operator's letter of May 14 would be repetitious and serve only to further confuse the situation.

It is suggested that no action be taken until the churn drill samples have been received. The Termination Agreement should then be forwarded to the Operator. After receipt of the executed Termination Agreement and after the churn drill samples have been processed and analyzed and all costs determined, the Operator should be notified as to the amount originally due it, the amount of its share of the cost of transporting and processing the samples, and the amount withheld pending closing procedures.

Sincerely yours,

George C. Selfridge
(esf)
Chairman, Operating Committee

APPROVED:
Frank D. Lamb
(esf)
Member, Bureau of Mines

N. E. Nelson
(esf)
Member, Geological Survey

MChing/gla 5-26-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
May 21, 1958

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 24 1958

DATE	INITIALS	CODE
5/23	H.G.	225
"	Chung	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Keenan Properties), Lawrence County, South Dakota

Enclosed is a letter dated May 14, 1958, from the subject Operator to the Administrator, DMEA, which was apparently mailed to this office by mistake. We note that the Operator is expecting reimbursement for the Government's share of the acceptable costs for the period from October 4, 1957, through November 3, 1957.

As indicated in our memorandum to you dated March 17, 1958, we anticipate that an amount of $885.70, will be due the Operator when Form MF-104 for the period from October 4, 1957, through November 3, 1957, is processed. Unless otherwise instructed, we intend to withhold a minimum of $500.00 pending closing procedures, in addition to an amount sufficient to cover the Operator's pro-rata share of the cost of transporting, processing and analyzing the churn drill samples. Under the circumstances, we believe that the entire amount due the Operator must be withheld if the Government's interests are to be adequately protected.

If you are in agreement with the above, we request that the Operator be so notified in writing. Otherwise, please advise this office as to the amount which we shall withhold from reimbursement to the Operator when the voucher is processed.

The chrun drill samples have not as yet been transported from the project site to Denver.

J W Lawrence

for E. N. Harshman

Belmont Plaza
LEXINGTON AVENUE AT 49TH STREET NEW YORK 22, N.Y. PLAZA 5-1200

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 24 1958
DATE | INITIALS | CODE

May 14, 1958

DMEA
DEPARTMENT OF THE INTERIOR
MAY 16 1958
REGION III
DENVER, COLORADO

Administrator
DMEA
Bureau of Mines
Dept of Interior

Dear Sir:

We have been advised that when we produce a receipt from the Rapid City Bureau of Mines for concentrates delivered as per Contract and Amendments DMEA 654X E-58, that the Denver DMEA office will issue a check to reimburse Northwest Defense Minerals, Inc. for money expended in 1957 for processing. We have written to Mr. Jim Riley, Rapid City, Bureau of Mines and asked for a copy of a receipt. His office must have a record of the delivery of reports and concentrates and gold recovered. We cannot understand all of this

TISCH HOTELS
NEW YORK — BELMONT PLAZA • ATLANTIC CITY — THE TRAYMORE AND THE AMBASSADOR • WEST END, N. J. — SAND & SURF
BAL HARBOUR, MIAMI BEACH, FLA. — AMERICANA — OPENING DECEMBER, 1956

Belmont Plaza
LEXINGTON AVENUE AT 49TH STREET NEW YORK 22, N.Y. PLAZA 5-1200

May 16, 1958

Mr. C. O. Mittendorf, Administrator
DMSA
Dept of the Interior,
Washington, D.C.

Dear Mr. Mittendorf:

Thank you for your letter of May 13, 1958 regarding a termination agreement and the failure of a transportation company to ship the churn drill materials out of our property.

We are advised from Spearfish that the roads are open into our property, a caterpillar is being moved in this month on a low-boy.

On May 14, I advised the Denver DMSA office of this address.

Thanking you for your courtesy,

Cordially,
Northwest Uranium Minerals, Inc.
Maggy Keenan, President

RECEIVED MAY 19 1958
DATE | | CODE
5-19 | C | 220
| | 700

TISCH HOTELS
NEW YORK — BELMONT PLAZA • ATLANTIC CITY — THE TRAYMORE AND THE AMBASSADOR • WEST END, N. J. — SAND & SURF
BAL HARBOUR, MIAMI BEACH, FLA. — AMERICANA — OPENING DECEMBER, 1956

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/13/58	Ching	700
5/13	Ellis	700
"	[illegible]	110
"	Hutchesey	100
5/14	[illegible]	220
		700

MAY 13 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Belmont Plaza, Room 1011
Lexington Avenue at 49th Street
New York 22, New York

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

The Termination Agreement referred to in our letter of April 3, 1958, was to be forwarded to you by our Denver office as soon as the churn drill samples had been received.

We have been informed by our Denver office that the transportation company handling the matter has been unable to get the shipment out because of poor weather conditions.

As soon as the samples are received by the Denver office, it will forward the agreement to you for signature. It will be appreciated if you will keep that office informed as to the address to which you wish the agreement forwarded.

Sincerely yours,

C. O. Mittendorf
(esf)
Administrator

MChing/gla
5-13-58
cc to: Admr.'s Reading File
Mr. Ching
THKiilsgaard, 5224
DMEA Field Team, Region III (2) w2 cc Miss Keenan's letter May 4, 1958

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

224 New Customhouse
Denver 2, Colorado
May 9, 1958

Air Mail

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 12 1958

DATE		CODE
5/12	C	220
"	Cleary	760

Memorandum

To: Chairman, Operating Committee, DMEA

From: Acting Executive Officer, DMEA Field Team, Region ~~III~~

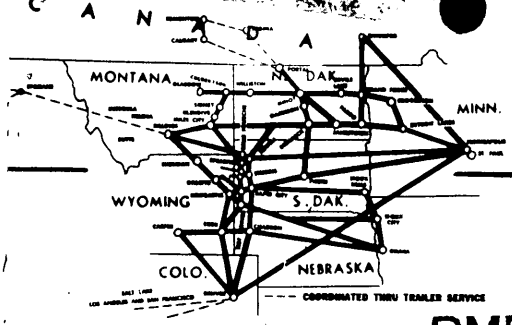
Subject: Docket No. DMA 654X (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Keenan Property), Lawrence County, South Dakota

In reference to your teletype of May 9, 1958, enclosed are two copies of a letter dated May 7, 1958 from Buckingham Transportation, Inc. pertaining to the material to be transported to Denver.

E. N. Harshman

E. N. Harshman

Enclosures



SHIP BY TRUCK... CALL BUCK!

BUCKINGHAM TRANSPORTATION, INC.

GENERAL OFFICES RAPID CITY, SOUTH DAKOTA FILLMORE 2-2700

PLEASE ADDRESS REPLY TO ATTENTION OF UNDERSIGNED AT:

DMEA
DEPARTMENT OF THE INTERIOR
MAY 9 1958
REGION III
DENVER, COLORADO

Rapid City, S.D.
May 7, 1958.

W.H. King Executive Officer
Field Tea, Region III
United States Department of Interior
New Customhouse
Denver 2, Colorado.

RE: Docket No. DMA 654X
Contract No. IDM-E58
Northwest Degense Minerals Inc.

Dear Mr. King:

Our Terminal Manager, Mr. Leo Schneider, has informed me regarding a telephone call from your office regarding shipment which you have at Tinton South Dakota. We have checked on this shipment again and are informed that the creek is running full blast, and there is still two foot of snow around the area. It is still an Impossibility to get this shipment out of the area.

Yours very truly,

BUCKINGHAM TRANSPORTATION INC.

James L. Peterson

James L. Peterson
General Office Manager

MEMBER

Belmont Plaza
LEXINGTON AVENUE AT 49TH STREET NEW YORK 22, N.Y. PLAZA 5-1200

Rm. 1011

May 4, 1958

Mr. C.O. Mittendorf,
Administrator
U.S. Dept Interior
Defense Minerals Exploration Administration
Washington, D.C.

Dear Mr. Mittendorf:
With reference to your letter dated April 3, 1958 and delivered by hand to me in Washington, D.C., we have not received a word since regarding the subject matter of your paragraph 2.
Is it possible for the Denver Office to send whatever "agreement" you refer to — to this address?

Yours Sincerely,
Northwest Defense Minerals Inc.
Jerry Keenan, President

TISCH HOTELS
NEW YORK — BELMONT PLAZA • ATLANTIC CITY — THE TRAYMORE AND THE AMBASSADOR • WEST END, N. J. — SAND & SURF
BAL HARBOUR, MIAMI BEACH, FLA. — AMERICANA — OPENING DECEMBER, 1956

OFFICIAL FILE COPY
DMEA
RECEIVED MAY 6 1958

DATE	INITIALS	CODE
5/6	C	220
"	Chiang	700

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
5/8/58	Ching	700
"	[illegible]	700
5/10	[illegible]	130
"	[illegible]	110
[illegible]	[illegible]	100
5/9	[illegible]	220
		700
5/9	Lamb	130
5/9	Kilsgaard	130

MAY 8 1958

Department of the Interior

DMEA

14X4401(01) Revolving Fund, Defense Production Act, Interior, (Transfer to Office of Secretary)

T E L E T Y P E

E. N. HARSHMAN, ACTING EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

RE NORTHWEST DEFENSE MINERALS, INC. DOCKET 654.

HAS RECENT ACTION BEEN TAKEN REGARDING DELIVERY OF CHURN DRILL SAMPLES? PRESUME TERMINATION AGREEMENT BEING HELD PENDING THEIR RECEIPT.

George C. Selfridge

CHAIRMAN, OPERATING COMMITTEE (SAB)

MChing/gla
5-8-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
Mr. Ching
Confirmation to Region III

8623

DMEA Form 7
(12-56)

RECEIVED
MAR 28 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

OFFICIAL FILE COPY

Date	Surname	Code
3/28/58	Knowa	700
"	Ellis	700
"	Chambers	300
	Rubin	140
	Sleuger	140
4/2	App'd. Col. Off.	110
"	Matthewson	100
4/3		220
		700
4/2	Selfridge	130
4/2	Cooper	130
4/2	Nelson	(130)

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
c/o Sheraton-Johnson Hotel
Rapid City, South Dakota

NOTE: Delivered in person to Miss Keenan in Washington, D.C.

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

I am now in a position to answer your letter of January 24 concerning an agreement that will permit the payment for the contract work completed during 1957.

An agreement has been prepared and routed through the Denver Office, and it will reach you in due course. This agreement, when signed by you, will allow payment for the work completed prior to November 1, 1957, as is described in the contract, except for the amount the Government normally withholds until a final audit of the account is made.

You will note in Amendment No. 3, under "Estimated Cost of the Project, (1) Independent Contract," that the cost of $5.50/ft. for churn drilling and $25.00/ft. for test pitting includes washing the drill cuttings and excavated material, concentrating the contained tin, tantalum, columbium, tungsten, gold, and other minerals or metals, and separating the free gold from the concentration. These costs per unit are the maximum amounts to which the Government will contribute for this work.

Sincerely yours,

(for)

Administrator

Copy to:
James E. Bacon
600 Woodside Parkway
Silver Spring, Maryland

FLKnouse/gla
3-28-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FLKnouse
DMEA Field Team, Region III (2)

8623

DMEA Form 7
(12-56)

RECEIVED
MAR 23 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

OFFICIAL FILE COPY

Date	Surname	Code
3/28/58	Kruger	700
"	Ellis	700
"	Chambers	800
	Pritz	140
	Kruger	140
4/2	Appl. Sol. Off.	130
"	Johnson	100
"	Hartendorp	200
		700

700
Yopes
Nelson

Mr. W. H. King
Executive Officer
DMEA Field Team, Region III
224 New Customhouse Building
Denver 2, Colorado

APR 3 1958

INTERIOR DEPT.
MAR 28 1958
SOLICITOR

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. King:

We are enclosing the original and five copies (with two extra copies) of a Termination Agreement for the above contract, signed by the Administrator. The agreement consists of two pages.

This agreement should not be presented to the Operator for signature until the Government receives the recovered material from the drill holes now stored at the property. Also, no additional payment should be made to the Operator before the agreement is signed. After the agreement is signed, please make the usual distribution of the document.

The processing of the recovered material from the drill holes should follow the procedure described in Amendment No. 12 and prior related amendments, if applicable.

Expenses for transporting and processing this material are chargeable costs to Item (8) Contingencies, and for analytical work to Item (7) Miscellaneous, in Amendment No. 3. The Termination Agreement allows payment for the work described in the contract which was completed by the Operator before November 1, 1957.

In our letter of even date to the Operator, it was informed this agreement would be routed through your office.

FLKnouse/gla
3/28/58

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (2/B)

cc to: Admr.'s Reading File
Operating Committee
Enclosures THKiilsgaard, 5224
APPROVED: FLKnouse

P. F. Yopes (2/B)
Member, Bureau of Mines

N. E. Nelson (2/B)
Member, Geological Survey

8623

Government's copy

TERMINATION AGREEMENT

It is agreed this ___ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Northwest Defense Minerals, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E58, Docket No. DMEA-654, dated July 16, 1951, as amended, hereinafter called the "Contract," that:

1. Effective November 1, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to the allowable costs incurred prior to said effective date, and shall contribute to the allowable costs incurred or to be incurred beginning with said effective date and ending not later than August 1, 1958, in performing winding-up and settlement actions provided for in the Contract, including (a) the delivery to a laboratory of excavated materials, and the processing and analyses of samples, and (b) the making and rendering of a comprehensive final geologic and engineering report.

3. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of the final report and final account.

4. All rights of the Government respecting certification of discovery or development, percentage royalty and liens to secure payment thereof, reports (including preservation of Operator's records), accounts, audits, and the right to recover any overpayment, are hereby preserved.

5. The Operator hereby releases and agrees to save the Government harmless from all claims or demands under or arising out of said Contract, except as otherwise provided in this Termination Agreement.

Butrin
Sawyer
Appl. Sol. Off

IN WITNESS WHEREOF, these parties have executed this agreement as of the day and year first above written.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

NORTHWEST DEFENSE MINERALS, INC.

By_____

Title_____

Krause
Ellis

DMEA Form 7
(12-56)

RECEIVED
MAR 25 1958
ASSOC. SOLICITOR
MINERAL RESOURCES

OFFICIAL FILE COPY

Date	Surname	Code
3/24/58	Lagore	700
3/25	Ellis	700
		140

INTERIOR DEPT.
MAR 25 1958
SOLICITOR

March 24, 1958

Memorandum

To: Associate Solicitor
Division of Raw Materials

From: Ernest Wm. Ellis, Director
Division of Rare and Miscellaneous Metals

Subject: Docket No. DMEA-654
(Tin, Columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota
Termination Agreement

Please draft a Termination Agreement for the subject contract. We recommend Termination Agreement /All Contract Forms - MF-200, MF-200A/ DMEA Circular 33, dated June 30, 1954, with the following paragraphs, including additions and deletions shown below:

It is agreed this _____ day of _____, 1958, between the United States of America, acting through the Department of the Interior, Defense Minerals Exploration Administration, hereinafter called the "Government," and Northwest Defense Minerals, Inc., hereinafter called the "Operator," parties to that certain Exploration Project Contract Idm-E58, Docket No. DMEA-654, dated July 16, 1951, as amended, hereinafter called the "Contract," that:

1. Effective November 1, 1957, the Contract and all obligations of the parties thereunder, except as otherwise herein expressly provided, shall be and are hereby terminated.

2. The Government shall contribute to the allowable costs incurred prior to said effective date, and shall contribute to the allowable costs incurred or to be incurred beginning with said effective date and ending not later than ~~July~~ Oct. 1, 1958, in performing winding-up and settlement actions provided for in the Contract, including (a) the ~~processing~~ and analyses of samples, and (b) the ~~making~~ and rendering of a final geologic and engineering report.

3. ~~Full paragraph.~~
Copy 4 omitting (a)
4. Copy 5 omitting latest "all rights of the Sovereign" paragraph.
5. Copy 7.

8623

4. The Operator shall promptly perform all winding-up and settlement actions provided for in the Contract, including the rendering of a final report and final account.

5. Full paragraph.

6. Omit.

7. Full paragraph.

Closing paragraph.

THE UNITED STATES OF AMERICA

By_____
Administrator, Defense Minerals
Exploration Administration

NORTHWEST DEFENSE MINERALS, INC.

By_____

Title_____

/s/ Ernest Wm. Ellis

Ernest Wm. Ellis

FLKnouse/gla
cc to: Mr. Knouse

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado
March 17, 1958

RECEIVED MAR 19 1958

DATE	INITIALS	CODE
3/19	C	220
3/20	FLK	700

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin-Columbium-Tantalum-Tungsten) Contract Idm-E58, Northwest Defense Minerals, Inc., (Rawlins Mining District), Lawrence County, South Dakota

Reference is made to your letter of March 6, 1958, regarding processing costs for the material from the project churn drill holes.

Through oversight we neglected to take into consideration in our memorandum of February 3, 1958, that a considerable volume of sample material had been processed subsequent to the original estimates obtained for the processing and analytical work. Verbal estimates recently obtained for the processing and analysis of 18 composite churn drill samples, comprising approximately three (3) cubic yards of material are tabulated below:

Firm or Organization	Processing	Analytical	Total
Humphrey's Gold Corp.	$1500.00	$ 500.00	$2000.00
A. T. Sweet	2450.00	550.00	3000.00
Colorado School of Mines Research Foundation	3000.00	2200.00*	5200.00

*The Research Foundation estimate includes separate analysis of the heads, tails, and concentrates from each hole for tin, columbium, tantalum, tungsten and gold.

No firm bid can be submitted until the samples have been received in Denver and made available for inspection; however, if we are able to obtain a firm bid comparable to the lowest estimate received the total cost will be approximately as follows:

Processing costs	$1500.00
Transportation of samples to Denver	150.00
Analysis	500.00
Total estimated cost	$2150.00

In reference to the last paragraph of your letter we fail to find in the contract a specific estimate for the processing of the drill hole material as the processing is included as a part of the drilling at $5.50 per foot. If the unit cost for churn drilling is not to be exceeded, only $174.25 is available for processing the samples.

As requested in your letter we are enclosing one copy of the Operator's report for the period, October 4, 1957, through November 3, 1957. The signed copy of Form MF-104 has been retained in this office, and a photocopy has been substituted for your information.

> All of the reported labor was expended in processing the test pit samples, for which no additional costs are allowable, therefore, the labor costs will be disallowed.
>
> The previously disallowed cost for $6\frac{1}{4}$ feet of test pit work at $25.00 per foot, will be reinstated contingent on receipt of the analytical results for all samples.
>
> It is anticipated that when the voucher is processed an amount of $885.70 will be due the Operator. This includes the amount of $100.00, which was withheld from the voucher for the period, November 23, 1955, through April 15, 1956.

As suggested in your letter of November 21, 1957, it is the present intention of this office to withhold a minimum of $500.00 from reimbursement to the Operator pending closing procedures, and in addition, to withhold an amount sufficient to cover the Operator's pro rata share of the estimated cost of processing and analyzing the churn drill samples. It is, therefore, not likely that any appreciable amount will be available for reimbursement to the Operator until the account is closed.

In order to assist you in answering the Operator's letter of January 24, 1958, we have the following comments to offer:

1. We were unable to furnish the Operator with definite information concerning processing of the current voucher, except that the completion period must be extended prior to any reimbursement, and that when the voucher is processed a

considerable amount will be withheld pending completion of all processing and analytical work, and pending closing procedures.

2. All requests from the Operator concerning preparation of voucher and accounting Forms MF-104 and MF-104A, were answered promptly. Copies of all relative correspondence were forwarded to your office.

We will appreciate receipt of instructions and specifications for the processing of the material and analytical work to be performed on the churn drill samples, so that we will be in a position to advertise for firm bids immediately upon delivery of the samples to Denver.

W. H. King

W. H. King

Enclosure

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
REGION III

BUILDING 20
DENVER FEDERAL CENTER
DENVER 2, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
JAN 22 1958
REGION III
DENVER, COLORADO

DMEA
RECEIVED MAR 19 1958

DATE	INITIALS	CODE

January 21, 1958

Memorandum

To: Executive Officer, DMEA Field Team, Region III

From: E. O. Binyon

Subject: Docket DMEA 654X (Tin, Columbium, Tantalum, Tungsten)
Contract Idm-158, Northwest Defense Minerals, Inc.
(Rawlins Mining District) Lawrence County, South Dakota
Progress report for October 4 - November 3, 1957

According to the operator's report, 15.106 cubic yards of gravel from the Beaver Creek test pit and 7.699 cubic yards from the test pits No. 1 and No. 2 on Bear Creek were washed and concentrated during the subject period. The yardage from No. 1 and No. 2 test pits (Bear Creek) mounted to 3.39 and 4.309 cubic yards respectively.

In checking the MF-104 and MF-104A forms and documentation of expenditures, it is noted that for the $30.71 charged for gas and oil, there are no service station slips and only $9.21 is supported by photostats of cancelled checks and a statement by the engineer that the total amount has expended. It is believed that the expenditure is properly documented and it is recommended that the amount be allowed. The operator has charged $279.17 for labor under the Contingency item and has documented this charge only by a listing of the men, hours worked and pay rates per hour with the total wages. This documentation is certified by the engineer. The labor was used for processing; moving samples from lines to the processing equipment, handling of the samples through the flow sheet for the processing tests and handling of waste and concentrates. There was no need for labor for any other purpose. Under the terms of the Contract, the total prices per foot of $5.50 for churn drilling and $25.00 per foot for test pitting included washing excavated material, concentrating contained tin, tantalum, columbium tungsten, gold and other minerals or metals and separating the face gold from the concentrates. Therefore, the claim for labor although under Contingencies is not allowed and the amount is deducted from the total amount claimed.

As the results of the test are incomplete as of this date, only the amount of gold having been reported, it is suggested that payment for 6-1/4 feet of test pitting (Bear Creek) continue to be withheld.

The Government's share at 90 percent participation of the amount claimed less the charge for labor ($995.92-279.17) or $716.75 amounts to $645.08. It is recommended that the full amount $645.08 be withheld pending receipt of the results of the processing test and a final report by the operator.

The Contract expired October 1, 1956.

E O Binyon

E. O. Binyon
Mining Engineer

cc 6
Idm-E58
Chron

EOB:ph

Form MF-104 (Rev.)
(April 1952)

Budget Bureau No. 42-R1036.5

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION

Report 4.

OPERATOR'S MONTHLY REPORT AND VOUCHER

Month of October 4, 1957 through November 3, 1957 Docket No. DMEA 654 X Contract No. Idm E-58

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium, Tantalum, Gold

Address Spearfish, South Dakota

Contract Amount, $29,931. Government Participation: 90 % Amount, $100,000.

~~Phase II~~

ITEMS OF COSTS	FOR OPERATOR'S USE: Monthly Total	Totals Previously Reported	Totals To Date	FOR GOVERNMENT USE ONLY: Approved Monthly Total	Approved Totals Previously Reported	Approved Totals To Date
(1) Independent Short Form Contracts:						
Drilling Churn		1742.50	1742.50			
Bulldosing						
Crosscutting						
Drifting						
Test Pits		631.25	631.25			
(2) Labor and Supervision:						
Labor						
Supervision						
Technical Services	675.	1850.00	2525.00			
(3) Operating Mat'ls. and Supplies:						
Timber						
Explosives						
Pipe						
Track						
Gas & Oil	30.71	178.14	208.85			
Travel Expense		308;92	308.92			
(4) Operating Equipment:						
Rental						
Purchase						
Depreciation						
(5) Initial Rehabilitation and Repairs						
(6) New Bldgs., Improvements, etc.						
(7) Miscellaneous:						
Repairs to Equipment						
Sampling and Analysis		338.00	338.00			
Payroll Taxes						
Liability Insurance						
Meals & Quarters	11.04	773.94	784.98			
(8) Contingencies (specify):						
Labor	279.17					
Itemized on MF104 A		1141.35	1420.52			
TOTALS	995.92	6964.10	7960.02			

DMEA
DEPARTMENT OF THE INTERIOR
JAN 22 1958
REGION III
DENVER, COLORADO

DMEA
DEPARTMENT OF THE INTERIOR
JAN 3 1958
REGION III
DENVER, COLORADO

I certify that the above bill is correct and just and that payment therefor has not been received.

Date Jan 2 1957 *Payee Northwest Defense Minerals Inc

Per [illegible] Title President

*When a voucher is signed or receipted in the name of a company or corporation, the name of the person writing the company or corporate name, as well as the capacity in which he signs, must appear. For example: "John Doe Company, per John Smith, Secretary," or "Treasurer," as the case may be.

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

Pursuant to authority vested in me, I certify that this account is correct and proper for payment in the amount of:

$

Signature
(Authorized Certifying Officer)

Date Vou. No.
(See other side)

Form MF-104A
(April 1952)

Budget Bureau No. 42-R1151.2

UNITED STATES
DEPARTMENT OF THE INTERIOR

DEFENSE MINERALS EXPLORATION ADMINISTRATION

Report 4.

OPERATOR'S UNIT COST AND PROGRESS REPORT

October 4, 1957 through

Month of November 3 1957 Docket No. DMEA 654 X Contract No. Idm E 58

Operator's Name Northwest Defense Minerals, Inc. Minerals Tin, Columbium,

Address Spearfish, South Dakota Tantalum, Gold

OPERATION		UNIT	COSTS THIS MONTH	UNITS THIS MONTH	COSTS TO DATE	UNITS TO DATE	UNIT COSTS TO DATE	AUTHORIZED BY CONTRACT Units	AUTHORIZED BY CONTRACT Unit Costs
Drifting	Churn drilling	ft			1742.50	348.5	5.00	1600	5.50
Crosscutting	Test Pits	ft			631.25	25.25	25.00	180	25.00
Raising	Supervision	day	675.00		2525.00	37.	50.00	100	50.00
Shafts	Travel Expense				308.92				1000.00
Winzes	Meals & quarters	mo/day							
Drilling: Core			11.04		784.98	231.	3.35	687	8.00
Churn	Gas & Oil		30.71		208.85			3½	100.00
Auger	Analysis				338.00	6	56.33	89	25.10
Stripping	Contingencies, Bull	doz.			263.50				
Trenching	Clean drums				23.50				
Test Pits	Payroll tax				28.00				2000.00
Roads and Trails	Labor		279.17		979.10				
	Parcel post				5.50				
	Assay report				10.00				
TOTAL DISTRIBUTED COSTS	Truck repairs				110.92				TOTAL COSTS AUTHORIZED BY CONTRACT
Operating Equipment Purchased									
Initial Rehabilitation and Repairs									
New Buildings, Improvements, etc.									
TOTAL COSTS			995.92		7960.02				

The undersigned company, and the official executing this certification on its behalf, hereby certify that the information contained in this report is correct and complete to the best of their knowledge and belief.

Date Jan 2, 1958 Operator Northwest Defense Minerals Inc

Per Peggy Keenan Title President

NOTE.—Title 18, U. S. Code (Crimes), section 1001, makes it a criminal offense to make a willfully false statement or representation to any department or agency of the United States as to any matter within its jurisdiction.

(Instructions on reverse)

REMARKS:

(For Government use only)

E O Bunyon

$279.17 for labor not allowed

DMEA
DEPARTMENT OF THE INTERIOR
JAN 3 - 1958
REGION III
DENVER, COLORADO

INSTRUCTIONS

Preparation of Form MF–104A—Operator's Unit Cost and Progress Report.—Applicable places on Form 104A should be filled in by the Operator. The purpose of this form is twofold as follows: (1) to furnish the supervising engineers and other administrators with statistical information necessary to better determine the progress of the project; and (2) to furnish more permanent information on mining costs for future use. The more important phases of operation on which permanent information is desired have been outlined in the form. There are blank lines, however, for those unusual phases which may need to be reported for a particular project. It will be necessary for the Operator to distribute his costs among the applicable phases reported with the exception of three items the costs of which are not to be distributed by the Operator. These three items are: "Operating Equipment Purchased", "Initial Rehabilitation and Repairs", and "New Buildings, Improvements, etc." The reason for not distributing these items on a monthly basis is doubtless clear to the Operator, since such distribution might well overstate the cost for any one month or period short of the entire contract period.

Form MF–104A has been designed to tie in with Form MF–104 for both monthly and cumulative costs. The "Total Costs" on Form MF–104A for each month should equal the monthly "Total Costs" as reported on Form MF–104. This is also true of the "Total Costs To Date".

In preparing Form MF–104A, it will be necessary frequently to distribute certain costs over a number of items. For instance, supervisory and engineering costs may have to be distributed over several phases, such as, drifting, crosscutting, raising, etc., provided that these items were reported active for the month. Such distributions should be made on the basis of time spent on the various phases, on man days of labor charged to such phases, or on some other equitable basis. "Operating Equipment", "Initial Rehabilitation and Repairs", and "New Buildings Improvements, etc.", will be distributed to the several phases of the project by the Washington Office of DMEA at the close of the project if determined necessary. The last two columns headed "Authorized by Contract" will be filled in by the Operator if such information is found in the contract. This information is usually a part of Exhibit "A" of the contract. A space for remarks has been provided for the use of the Operator to call attention to any unusual circumstances causing excessive or disproportionate unit costs.

GPO 872894

DMEA
DEPARTMENT OF THE INTERIOR
NOV 25 1957
REGION III
DENVER, COLORADO

PROGRESS REPORT #4

DEFENSE MINERALS EXPLORATION ADMINISTRATION

CONTRACT #654X PROJECT Idm E-58

Placer Gravel Concentration

Commencing October 14, 1957 and lasting through November 8, 1957 work was carried on under the supervision of the undersigned. 22,805 cubic yards of placer gravel, which had been excavated from test pits on Beaver and Bear Creeks in October and November 1955 was washed and concentrated. This gravel had been stored under cover in bins at the Northwest Defense Minerals Inc., plant in South Dakota. Each bin was measured. The gravel contents of the bins was as follows.

(a) Balance of Beaver Bedrock Gravel remaining in bin from November 1955 test.	2.131	cu. yd.
(b) Bin marked Beaver #3	7.115	" "
(c) Bin marked Beaver #2	3.220	" "
(d) Bin marked Beaver #1	2.540	" "
	15.106	" "
(e) Bin marked Bear #2	4.309	" "
(f) Bin marked Bear #1	3.390	" "
	7.699	" "

Mill Process Used to Recover Concentrates

As previously outlined in progress report #1 the undersigned planned to reduce the gravel samples to concentrate form suitable for assaying.

The equipment used in producing the concentrates consisted of the following. Denver Mechanical Gold Pan, with washing section consisting of punched steel plate, 3/8" round holes; 1½" sand pump;

Humphrey Spiral; Denver 4" x 8" Mineral Jig. The Denver Gold Pan was fitted with a 14 mesh shaker screen, which was used as a classifier to supply the minus 14 mesh sand to the Humphrey spiral.

All of the placer gravel stored in the bins was hand shoveled into the Denver Concentrator. A water pump, an integral unit on the Denver Concentrator supplied wash water under pressure. After washing, all plus 3/8" material was hand shoveled to waste. All minus 3/8" sands were concentrated in the Denver machine. The original 1/8" screen supplied with the Denver Concentrator was removed and was not used. This allowed all of the minus 3/8" sands to fall directly onto tray #1. Tray #1 was fitted with a copper tray. No mercury was used on the tray. From tray #1 the minus 3/8" sands passed to tray #2 and then to tray #3. Trays #2 and #3 were bottomed with rough rubber blankets. From tray #3 the minus 3/8" sands were passed over the 14 mesh shaker screen mounted on the discharge lip of the Denver Concentrator. The plus 14 mesh sand, after concentration overflowed to waste. All minus 14 mesh sand was pumped to a full size Humphrey Spiral. The concentrate splitters on the spiral were adjusted to cut a wide band out of the concentrate stream. The rougher spiral concentrates were subsequently re-run over the spiral to reduce the volume of concentrate.

Six runs were made on the stored placer gravel. Each bin was treated as a separate sample. The purpose, to determine the mineral content of the various horizons sampled during the excavation phase of the project. The concentrating machinery was thoroughly cleaned up after each run. The concentrates recovered from each run was placed in wash tubs and was transported to Spearfish, South Dakota.

Each run of rougher Denver Gold Pan concentrates produced weighed approximately 100 pounds. At Spearfish, where city water and electricity was available it was possible to finish the concentrating under more favorable conditions than at the Northwest Defense Minerals Inc., mill. At Spearfish the samples were hand fed to a 4" x 6" Denver Mineral Jig. Each run produced a quantity of hutch concentrate as well as a jig bed concentrate. After each run the jig bed was panned, the steel shot bedding being removed with a magnet. The heavy minerals meraining after panning were labeled jig bed concentrates.

Each jig concentrate sample was bottle and pan amalgamated to recover the free gold values.

The following table gives the weights of the concentrates produced.

Sample	Measured yds placer gravel	Concentrates Produced				
		Jig hutch grams	Jig bed grams	Spiral pounds	Gold mg.	gold value Cu. yd.
Beaver Bedrock	2.131	1991	214	138.75	700.84	$32 9/10
Beaver #3	7.215	752.5	390.8	130	1991.40	17 8/10
Beaver #2	3.220	321.2	260.2	73.5	883	17 4/10
Beaver #1	2.540	508	138	25	344	13 5/10
Bear #2	4.309	1258.5	693	208	154.6	3 59/100
Bear #1	3.39	335.0	313.5	127	174	5 14/100

Observations

Periodic pan tests were made of the tailings to check the recovery of concentrates. No visible black sand was observed in the tailings.

The feed to the Denver Concentrator was approximately ½ cubic yard per hour. This is well below the rated capacity of the machine which is rated at 1 1/2 to 2 yards of bank run gravel per hour. It was deemed

advisable to maintain the feed at a low level to insure adequate washing and concentrating action. The Beaver and Bear gravels contain a high percentage of fine sands as compared with other Black Hills placer gravels tested by the undersigned.

Of interest is the fact that approximately 75% of the gold recovered had been previously amalgamated with mercury. Considerable tramp metal consisting of tacks, nails, small pieces of wire, bolts, nuts, lead shot, bullets, and miscellaneous bits of metal was recovered during the concentrating tests.

This indicates that prior work has been done in the area. It is assumed that the large quantity of heavy black sand contained in the Beaver and Bear creek gravels is responsible for the high gold loss by the early day hand shovel and sluice box operators. No attempt to recover the minerals contained in the heavy sands was made by the early pioneers. Their interest was only for the placer gold contained in the stream gravels.

Beaver Creek Test Pit

15.108 cu. yd. of gravel was concentrated during the October 1957 test. 3920.24 mg. of free gold was recovered by amalgamating the concentrates. Estimating the value at $1.00 per gram, the value would be $3.92 or 26¢ per cubic yard.

Bear Creek Test Pit

7.699 cu. yd. of gravel was concentrated during the October 1957 test. 328.6 mg. of free gold was recovered. Assuming the same value per mg, the total value would be 32 86/100 ¢ or 4 27/100¢ per cubic yard.

Samples

After amalgamation all jig samples were dried and weighed, rolled on apaper sheet and were split into equal parts. One half of each sample will be retained for assay by Northwest Defense Minerals Inc; the other half to be sent to the D. M. A. agency. All concentrate samples were placed in polyethylene clear plastic bags. Identification tags were placed inside of each bag. All bags were also tagged externally. The free gold samples were also equally split as near as possible and placed in individual glass vials. Each vial was tagged for identification.

The Humphreys spiral samples saved for assay and submitted to Northwest Defense Minerals Inc. and D. M. A. weigh 500 grams each. Approximately 700 pounds of spiral concentrates were produced from all six test runs. Representative splits were made from each run and should represent the values contained therein.

R.M. Atwater. Jr.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Kuzyse	700
3/3	Ellis	700
3/4	GCS	130
3/5	Glenn	110
3/6	C	222
		700

MAR 6 1958

Mr. W. H. King
Executive Officer
DMEA Field Team, Region III
224 NewCustomhouse Building

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-158
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. King:

In your memorandum, dated February 3, you estimate the Operator's portion of cost to transport and process the material from the drill holes will be about $1,000.00. Since the contract is on a 90 percent Government participation basis, your estimated total cost to transport and process this material would be about $10,000.00. Is that correct?

The Field Team's memorandum, dated February 11, 1957, indicated there are about 3 cubic yards of material recovered from the drill holes. Also, three cost estimates are quoted: $2,500.00; $3,000.00 to $4,000.00; and $8,500.00, respectively, to process about 30 cubic yards of material recovered from the test pits and drill holes.

Since the Operator claims it has already processed about 90 percent of all material (i.e., all the test pit material), it is not clear why your cost estimate to transport and process 10 percent of the material exceeds the estimated cost to process all the material. With the processing cost, we understand there would be an additional expense for transporting the material to the laboratory.

As your estimate exceeds the amount allowed for this work in the contract, please send us a detailed cost estimate. Also, please forward one of the Operator's MF 104's for the work completed during 1957 with comments on the Operator's letter, dated January 24, so that we can answer the letter.

Sincerely yours,

George C. Selfridge
Chairman, Operating Committee (JLB)

APPROVED:

O. M. Bishop (JLB)
Member, Bureau of Mines

Thor H. Kiilsgaard (JLB)
Member, Geological Survey

FLKnouse/izm 3-3-58
cc: Mr. Knouse
Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224

8623

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
3/3	Knouse	700
3/3	Ellis	700
3/5	Bishop	130
3/5	Kilgoubel	130
"	Johnson	110
"	Hutchinson	100
		220
		700
3/5	Selfridge	130

MAR 6 1958

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
c/o Sheraton-Johnson Hotel
Rapid City, South Dakota

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Keenan Properties
Lawrence County, South Dakota

Dear Miss Keenan:

We are sorry to be so long in answering your letter of January 24, 1958. However, we will require some information from the Denver, Colorado, office before we can answer your letter.

Sincerely yours,

G. C. Mallory (for)
Administrator

FLKnouse/izm 3-3-58
cc: Mr. Knouse
Admr.'s Reading File
DMEA FT Reg. 3 (2)

Peggy Keenan,
Spearfish, South Dakota

8623

UNITED STATES
DEPARTMENT OF THE INTERIOR
DEFENSE MINERALS EXPLORATION ADMINISTRATION
224 New Customhouse
Denver 2, Colorado

OFFICE OF THE DIR.
DMEA
RECEIVED FEB 4
DATE | INITIAL | CODE
2/4 | C | 220
1 | FLK | 700

February 3, 1958

VIA AIR MAIL

Memorandum

To: Chairman, Operating Committee, DMEA

From: Executive Officer, DMEA Field Team, Region III

Subject: Docket No. DMEA 654X (Tin, Columbium-Tantalum, Tungsten), Contract No. Idm-E58, Northwest Defense Minerals, Inc. (Keenan Properties), Lawrence County, South Dakota

Enclosed are two copies of a letter, dated January 29, 1958, from Buckingham Transportation, Inc., and two copies of our reply of February 3, 1958, pertaining to transporting of the material excavated from the 18 drill holes which were sunk under the subject contract.

Further reference is made to your letter, dated November 21, 1957, to E. N. Harshman regarding an extension of the completion date. Since, in all probability, it will be late in the spring before the material can be transported to Denver and some time thereafter before processing of it can be completed, it appears that it will be necessary to extend the completion date to at least October 1, 1958.

On a recent contact with this office by telephone, Miss Keenan indicated that analysis of the concentrates from processing the material excavated from test pits would not be possible until reimbursement was received for the Government's portion of the costs of processing the material. Since a major portion of the cost of processing material is to be included within the maximum unit cost per foot of test pitting, there would be little or nothing coming to the operator even if all other matters had been resolved. We estimate that the Operator's portion of the costs of transporting and processing of the material from the drill holes will be in the neighborhood of $1,000.00.

W. H. King

W. H. King

Enclosures

OFFICIAL FILE COPY
DMEA
RECEIVED
DATE

224 New Customhouse
Denver 2, Colorado

February 3, 1958

Mr. James L. Peterson, Office Manager
Buckingham Transportation, Inc.
Rapid City, South Dakota

Re: Docket No. DMEA 654X
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
(Keenan Properties)
Lawrence County, South Dakota

Dear Mr. Peterson:

Thank you for your letter of January 29, 1958, advising of the conditions in the project area which prevent you from transporting the material as previously arranged.

We will greatly appreciate it if you will advise this office when the material is accessible, so that we can either confirm the previous instructions relative to transporting the material or issue new instructions should there be any change in plans regarding it.

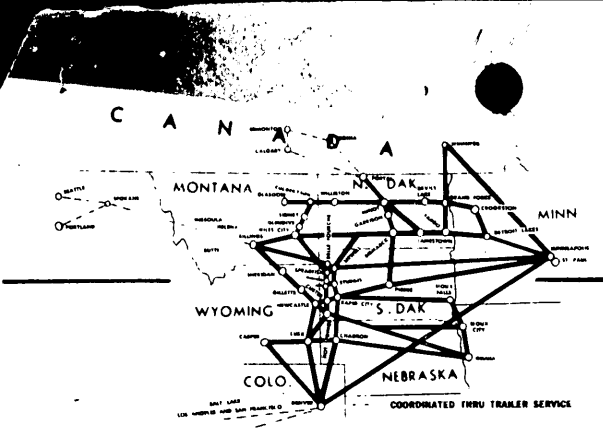
Very truly yours,

signed by
W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region III

JWT:prl

cc: Chmn. Op. Comm.(2)
Harshman
DMEA/DFC (Binyon)
Corres. file
Townsend
Chron.



SHIP BY TRUCK . . . CALL BUCK!

BUCKINGHAM TRANSPORTATION, INC.

GENERAL OFFICES RAPID CITY, SOUTH DAKOTA FILLMORE 2-2700

PLEASE ADDRESS REPLY TO ATTENTION OF UNDERSIGNED AT

Rapid City, South Dakota
January 29, 1958

DMEA
DEPARTMENT OF THE INTERIOR

1958
REGION III
COLORADO

Mr. W.H. King, Executive Officer
DMEA Field Team, Region III
United States Department of Interior
224 New Customhouse
Denver 2, Colorado

Re: Docket No. DMA 654X
Contract No. IDM-E58
Northwest Defense Minerals, Inc.

Dear Mr. King:

Reference is made to your letter of January 23 in response to our letter of January 21 regarding ore samples at Tinton, South Dakota.

Our Company thought that we might be able to get this material out for you by using smaller trucks; however, we find that it is not possible. Yesterday we sent up a smaller unit in an attempt to get this material out for you, but our driver was unable to do any good. It just looks like a case of leaving it until this Spring when the snow has thawed and the area has cleared up.

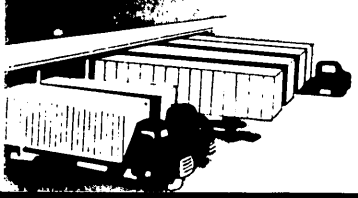
We are indeed sorry that we were not able to get this out, as we are as desirous of moving this shipment as your Company.

Yours very truly,

James L. Peterson

James L. Peterson
Local Office Manager

JLP:zt



MEMBER UNITED FREIGHT SYSTEM

Mr. George Selfridge

OFFICIAL FILE COPY
DMEA
RECEIVED FEB 4 1958

DATE	INITIALS	CODE
2/4	C	220
2/4	FLR	700

DN 235 BUR MINES 2-3-58 4-14

CHAIRMAN, OPERATING COMMITTEE, DMEA

REURTT 2-3-58, DOCKET DMEA 654, CONTRACT IDM-E58, NORTHWEST DEFENSEL MINERALS, INC. SAMPLES NOT RECEIVED. AIRMAIL LETTER DXX FORWARDED TODAY CONTAINING EXPLANATION, ALSO REFERENCE TO EXTENSION OF COMPLETION DATE.

W H KING

Denver, Colo.

FEB 4 8 41 AM '58
BUREAU OF MINES
MAIL ROOM
WASHINGTON, D. C.

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
2/3/58	Knouse	700
	on Leave	700
2/3	[illegible]	130
"	Lamm	110
"	[illegible]	100
2/4		220
		700
2/3	Lamb	130
2/3	Kildsgaard	130

FEB 3 1958

Department of the Interior

DMEA

14X4401(01) Revolvin
Fund, Defense Production Act,
Interior, (Transfer to Office of
Secretary)

T E L E T Y P E

W. H. KING, EXECUTIVE OFFICER
DMEA FIELD TEAM, REGION III
224 NEW CUSTOMHOUSE BUILDING
DENVER 2, COLORADO

REOURLET NOVEMBER 21, 1957, DMEA-654, NORTHWEST DEFENSE MINERALS, INC., PLEASE ADVISE IF SAMPLES WERE RECEIVED.

George C. Selfridge
CHAIRMAN, OPERATING COMMITTEE (GCS)

FLKnouse/gla
2-3-58
cc to: Admr.'s Reading File
Operating Committee
THKiilsgaard, 5224
FLKnouse
Confirmation to Region III, w/2 cc Miss Keenan's letter 1/24/58

Northwest Defense Minerals, Inc.

Spearfish, South Dakota

Telephone 280

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 29 1958

DATE	INITIALS	CODE
1/29	C	220
1/29	[illegible]	100
1/30	F-K	700

Columbium-Tantalum
Tungsten Tin
Gold

OFFICE OF THE PRESIDENT

January 24, 1958

Mr. C. O. Mittendorf, Administrator
DMEA, Rare & Miscellaneous Metals
Department of Interior
Washington, D. C.

Dear Mr. Mittendorf:

ON January 23, 1958 I was in Denver, Colorado and spoke to Mr. W. H. King, DMEA, regarding reimbursement of expenditures documented in Phase II, report 4, MF104, MF104A. He advised that he was doubtful about reimbursement.

He was vague about date of contract expiration and said "they" were to send in an amendment, and no amendment from Washington D.C. had been received.

Our Corporation met the 1957 date of processing the materials from the 1955 caisson excavations before the November deadline; we notified the Rapid City Bureau of Mines of the delivery of recovered concentrates and separated gold. It was necessary for the engineer to then write report four, and five copies were delivered to the Rapid City Bureau of Mines.

Several requests were sent in to the Denver DMEA for the proper figures to carry forward from the 1955-56 MF104, because amounts up to $750. expenditure had been disallowed.

After weeks passed we received the allowed figures broken down in a copy of MF104 from the Denver DMEA and used these figures to carry forward. The total amount expended with vouchers in 1957, Oct. 4 through Nov. 3 was $995.92. If an amendment is necessary in order to authorize reimbursement may we please have it? After we receive reimbursement of report 4 expenditures we will then authorize assays of material recovered as per directives.

Our Company has acquired a 150 ton a day mill at Keystone, S. Dak. with flotation process equipment and will process feldspars containing beryl,- concentrating beryl to a 10% beryllium oxide after the Petroleum Sulphanate process by the Bureau of Mines. We control approximately one million tons of ore bearing a reported beryl content, acceptable to the process requirements.

Yours very truly,

NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan President

Peggy Keenan, President

Address Sheraton-Johnson Hotel
Rapid City S.D.

PK:km

sent
cc to Reg. 3 - 1/24/58

DMEA RECEIVED JAN 27 1958		
DATE	INITIALS	CODE
1/27	C	220
1/28	EWD	800
1/28	ELK	700

294 New Customhouse
Denver 2, Colorado

January 23, 1958

Buckingham Transportation, Inc.
Rapid City
South Dakota

Re: Docket No. DMA 654X
Contract No. Idm-258
Northwest Defense Minerals, Inc.

Gentlemen:

Reference is made to your letter of January 21, 1958 in reply to our letter of January 17 concerning the transporting of material from the Northwest Defense Minerals, Inc. property at Tinton, South Dakota to the Denver Federal Center, Denver, Colorado.

As an expedient in obtaining the material in question, you are authorized to make the necessary trips with a small transportation unit from the place of storage of the material to where it can be loaded on a larger unit for transportation to Denver, it being understood that the use of the smaller unit will increase the cost somewhat over the normal freight rate from Tinton to Denver, Colorado.

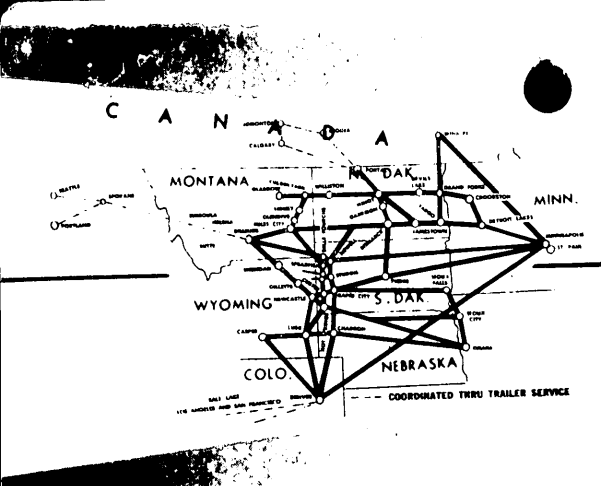
Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region III

JWT:prl

cc: Chmn.Op.Comm.-2) w/copy of
Harshman) Buckingham
DMEA/Dfc(Binyon)) Transportation,
Townsend) Inc. letter of
Corres. file) January 21.
Chron.



SHIP BY TRUCK .. CALL BUCK!

Lex 12

BUCKINGHAM TRANSPORTATION, INC.

GENERAL OFFICES RAPID CITY, SOUTH DAKOTA FILLMORE 2-2700

PLEASE ADDRESS REPLY TO ATTENTION OF UNDERSIGNED AT:

Rapid City, South Dakota
January 21, 1958

DMEA
DEPARTMENT OF THE INTERIOR

JAN 23 1958
REGION III
DENVER, COLORADO

W. H. King
Executive Officer, DMEA
Field Team, Region III
United States Department of Interior
Denver Customhouse
Denver 2, Colorado

Re: Docket No. DMA 654X
Contract IDM-E58
Northwest Defense Materials, Inc.

Dear Mr. King:

We are in receipt of your letter dated January 17 regarding the above shipment which is at Tinton, South Dakota. Our Company is very anxious to get this shipment out for you; however, the conditions have not improved since our last contact with you. As things look now it would be impossible to get a unit to the site for loading which could take the entire shipment at once, and possible would not be able to get in until this Spring.

There is one other solution to getting the shipment out, however, and this would be to run several trips with a smaller unit. In this case we would have more expense which would have to be charged against the transportation. It would probably involve an extra $100 over the regular freight rate from Tinton to Denver, Colorado.

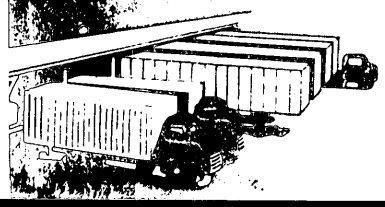
Would you advise by return mail what your pleasure would be regarding the shipment as outlined above.

Yours very truly,

James L. Peterson

James L. Peterson
Local Office Manager

JLP:zt



MEMBER
UNITED FREIGHT SYSTEM

OFFICIAL FILE COPY
DMEA
RECEIVED JAN 23 1958

DATE	INITIALS	CODE
1/23	C	220
1/23	[illegible]	800
1/24	FLK	700

224 New Customhouse
Denver 2, Colorado
January 17, 1958

Buckingham Transportation, Inc.
Rapid City
South Dakota

Re: Docket No. DMA 654X
Contract Idm-E58
Northwest Defense Minerals, Inc.

Gentlemen:

On or about November 25, 1957, Mr. E. O. Binyon, of this office, made arrangements with you for the transportation of certain barreled samples from the Northwest Defense Minerals, Inc., property, to the Defense Minerals Exploration Administration, Building 20, Denver Federal Center, Denver, Colorado, for which you issued a Uniform Straight Bill of Lading, dated November 25, 1957.

We were given to understand that an attempt was made at the time of Mr. Binyon's visit to load the material, which is to be transported; however, because of snow conditions at the project, the loading could not be accomplished at that time, and promises were given that the material would be loaded and transported to the Denver Federal Center as soon as possible.

Since considerable time has elapsed and the material has not been received we will appreciate advice as to the status of the matter and the approximate date the material can be expected.

Yours very truly,

Original signed by
W. H. KING

W. H. King
Executive Officer, DMEA
Field Team, Region III

JWT:hmh

cc: Chmn. Op. Comm. (2)
Harahman
DMEA/DFC (Binyon)
Townsend
Corres.file, Reg.III
Chron

224 New Customhouse
Denver 2, Colorado

January 6, 1958

CERTIFIED MAIL

Miss Peggy Keenan, President
Northwest Defense Minerals, Inc.
Spearfish, South Dakota

Re: Docket No. DMEA 654X
(Tin, Columbium-Tantalum, Tungsten)
Contract No. Idm-258
Northwest Defense Minerals, Inc.
(Rawlins Mining District)
Lawrence County, South Dakota

Dear Miss Keenan:

Reference is made to your letter of December 30, 1957, whereby you forwarded five copies of Forms MF-104 and MF-104A for the period October 4 through November 3, 1957, and included nine cancelled checks as documentation of charges for which you requested receipts.

The cancelled checks submitted do not in themselves contain sufficient information to be acceptable as documentation of charges for Gas and Oil, Meals and Quarters, and Labor. Therefore, the nine cancelled checks are returned herewith.

Charges for "Gas and Oil" must be documented by station delivery slips showing quantities involved, and the whole must be supported by a statement from the Project Supervisor as to the purpose for which the supplies were used to benefit the project work.

Charges for "Meals and Quarters" must be documented by an itemized listing, supported by a certification from the Project Supervisor that the charges were a necessary cost in performing the project work.

Charges for "Labor" must be documented by a transcript of the payroll, showing the days worked and the hourly or daily rate of pay. Also, the transcript of payroll must be certified by the Project Supervisor as being correct and constituting charges for work on the project.

When the required documentation is received, the Report and Voucher will be placed in line for processing.

Very truly yours,

Original signed by
W. H. KING

W. H. King
Executive Officer
DMEA Field Team, Region III

Enclosures: Nine cancelled checks

JWT:prl

cc: Chmn. Op. Comm. (2)) w/photo copy of Operator's
Harshman) letter of December 30
DMEA/DFC (Binyon)) and nine cancelled checks.
Corres. file)
Cooper)
Townsend
Chron.

Northwest Defense Minerals, Inc.

Spearfish, South Dakota

Telephone 280

Columbium-Tantalum
Tungsten Tin
Gold

WHK

OFFICE OF THE PRESIDENT

December 30, 1957

DMEA
DEPARTMENT OF THE INTERIOR
1958
REGION III
DENVER, COLORADO

Mr. W. H. King
Executive Officer, D.M.E.A.
Field Team, Region III
Department of Interior
Denver, Colorado

Dear Mr. King:

Thank you for your letter dated December 16, 1957 and for the data on MF 104, MF 104A.

Enclosed please find five copies of MF 104 and MF 104A for the period October 4, 1957 through November 3, 1957, report 4, Phase II, Contract DMEA 654X, Idm E 58, Northwest Defense Minerals, Inc.

The vouchers supporting the expenditures are attached, 9 are cancelled checks.

Kindly send receipt for these checks.

We request reimbursement for the Company's share of expenditures.

Yours very truly,

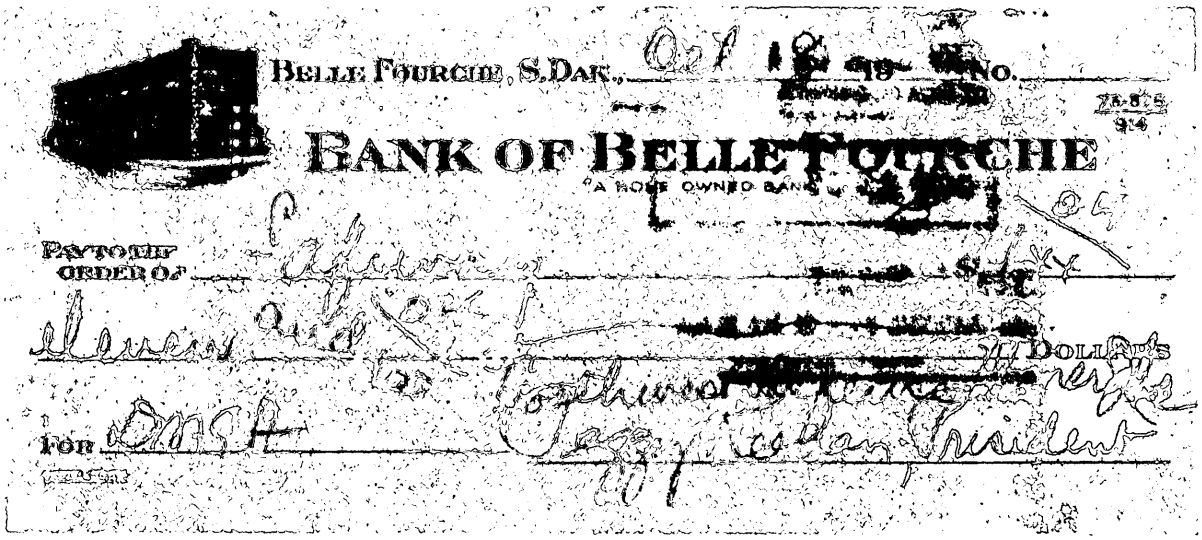
NORTHWEST DEFENSE MINERALS, INC.

Peggy Keenan, President

Peggy Keenan, Pres.

PK:km
Encl:

Meals and Quarters - $11.04



BELLE FOURCHE, S. DAK., Oct 19 19 No.

BANK OF BELLE FOURCHE

"A HOME OWNED BANK"

PAY TO THE ORDER OF Officers Mess $11.04

Eleven and 04/100 DOLLARS

FOR Cash

Geo. Nathan President

Labor

Belle Fourche, S.D. [redacted] 221

[redacted]

Sixty-nine [redacted] Dollars

For No SS or WT [redacted] Peggy Kerran, President

United States Dm 8-A 1957

Belle Fourche, S. Dak. [redacted] 27

BANK OF BELLE F[redacted]

Pay to the Order of John M. Marvin

Twenty-eight [redacted]

For 42½ hours [redacted] Peggy Kerran, President

$1.25 Dm 8-A 1957

Belle Fourche, S. Dak. [redacted] 57 No. [redacted]

BANK OF BELLE FOURCHE

Pay to the Order of [redacted]

[redacted]

For No SS or WT [redacted] Peggy Kerran, President

Dm 8A 1957

Labor Cont'd

BELLE FOURCHE, S. DAK.

BANK OF BELLE FOURCHE

"A HOME OWNED BANK"

PAY TO THE ORDER OF Sam Eder [redacted]

forty two and 50/100 DOLLARS

FOR 55 hrs OT [redacted] Reggy Keenan, President

DMSA 1957

BELLE FOURCHE, S. DAK. Oct [redacted] No. 230

78-876
914

BANK OF BELLE FOURCHE

"A HOME OWNED BANK"

PAY TO THE ORDER OF Wm. S. Remmers [redacted] $37.50

thirty-seven and 50/100 DOLLARS

FOR DMSA 30 hours [redacted] Reggy Keenan, President

BELLE FOURCHE, S. DAK., Oct 25 19[redacted] No. 226

78-876
914

BANK OF BELLE FOURCHE

"A HOME OWNED BANK"

PAY TO THE ORDER OF Gerald B. Kellogg [redacted] $1.25

thirty-six and 25/100 DOLLARS

FOR 2 9 hours @ $1.25 [redacted] Reggy Keenan, President

[illegible]

[illegible] No. 225

BANK OF BELLE FOURCHE

[illegible]

Dollars

For [illegible]

[illegible]

Belle Fourche, S.D. [illegible] No. 225

78-876
914

BANK OF [illegible] FOURCHE

[illegible]

Dollars

For [illegible]

DMEA Form 7
(12-56)

OFFICIAL FILE COPY

Date	Surname	Code
1/3/58	Knouse	700
"	Ellis	700
"	Mittendorf	100
1/6	gb	220
		700

JAN 6 1958

Mr. Henry C. Kawecki, President
Kawecki Chemical Company
Boyertown, Pennsylvania

Re: Docket No. DMEA-654
(Tin, columbium-tantalum, tungsten)
Contract No. Idm-E58
Northwest Defense Minerals, Inc.
Keenan Properties
Lawrence County, South Dakota

Dear Mr. Kawecki:

Mr. W. H. King of our Denver, Colorado, office forwarded your letter, dated December 26, 1957, for reply.

It is noted that you desire the data acquired by this Agency in the study made of the deposits on the subject property. Reports made by Government engineers on DMEA projects are confidential. However, if you will obtain formal authorization from Miss Peggy Keenan to show you the reports submitted by the above-referenced company, such reports could be shown to you in this office, but we are unable to send them to you.

Since these reports were submitted by the Northwest Defense Minerals, Inc., it is suggested that you request Miss Keenan to furnish the required copies of the reports.

Sincerely yours,

C. O. Mittendorf

Administrator

FLKnouse/gla
1-3-58
cc to: Admr.'s Reading File
Mr. Knouse
DMEA Field Team, Region III (2)

8623